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TWELVE PAGES — TWO RIYALS

Ottawa summit Rapport among 'Big 7' holds key to success

OTTAWA, July 18 (R) — For 48 hours beginning Sunday night leaders of seven non-Communist industrialized countries will focus in Ottawa on pressing economic issues, but whether they can come up with clear-cut decisions is open to question.

The United States, France, West Germany, Britain, Japan, Italy and host Canada are all concerned over a global recession which is a mix of high inflation and interest rates, widespread unemployment and slow economic growth.

And, as they gather in Ottawa for their annual economic summit, they are all agreed that they must try to find ways to improve the world's economy. But they face a number of hurdles as they go into their meetings, being held under stringent security at the secluded Montebello resort hotel outside the Canadian capital.

As a first step, they have to get to know one another. Only three of the leaders, West German Chancellor Helmut Schmidt and Prime Minister Pierre Trudeau of Canada and Margaret Thatcher of Britain, have been on the world scene for very long.

U.S. President Reagan, French President Francois Mitterrand and Prime Minister Zenko Suzuki of Japan and Giovanni Spadolini of Italy have been in office less than six months and have never attended an economic summit. All the leaders come to Ottawa with divergent views on how to tackle economic problems, and their political philosophies vary widely as well.

Officials believe the key to the summit will be how the seven get along. Trudeau summed up the feeling when he said this week after greeting his old friend, Schmidt: "We (the summit participants) ... must get to know each other well enough in a situation of need to pick up the telephone."

If the seven strike up a good relationship, it will provide impetus for dealing with global economic problems and developing cohesive policies on various political issues.

Except for Schmidt, who has been in Ottawa the last two days for pre-summit discussions with Trudeau, all the other leaders are due to arrive after midday Sunday.

President Reagan and Mitterrand have arranged to have a private talk ahead of the

Italy appoints 5 army chiefs

ROME, July 18 (R) — The Italian government appointed five new armed forces chiefs Saturday in an unprecedented peacetime reshuffle. Gen. Vittorio Santini, commander of NATO ground forces in southern Europe, was named chief of the defense staff replacing Adm. Giovanni Torrisi, who resigned 10 days ago following implication in the scandal over the P-2 secret Masonic Lodge.

New chiefs of staff of the Army, Navy, Carabinieri and customs police were also named. The former head of the customs, a semi-military body, also resigned after the Masonic scandal while the heads of the army and navy had both reached retiring age.

Defense Minister Lelio Lagorio, referring last week to the impending reshuffle, said the new military chiefs would be men of "a high degree of professionalism, a spotless background and who can guarantee their loyalty to the republic." Gen. Umberto Cappuzzo, head of the Carabinieri, was promoted to chief of the army staff, and Adm. Angelo Monassi, commander of NATO naval forces in southern Europe, was named chief of the naval staff.

Gen. Lorenzo Valditaro, the northeast regional military commander, took over the Carabinieri post, and Gen. Nicola Chiari, of the fifth armored corps, the customs police. Heads of the secret services were also involved in the Masonic affair but their replacements were not named Saturday. The Rome newspaper *Il Messaggero* said Italy's military establishment had seen no comparable shake-up since the defeat by Austrian Forces Caporetto during the first world war.

Work hours cut to 39 in France

PARIS, July 18 (AP) — French Labor and Management reached an historic accord Saturday, taking the first step toward meeting Socialist President Francois Mitterrand's goal of a 35-hour work week by agreeing to reduce the traditional 40-hour week to 39.

Final details, as they pertain to about 80 different industries in the country, are to be worked out later and the whole plan must be confirmed by parliament. But after a marathon 16-hour final negotiating session that broke up in the wee hours Saturday morning, the two sides agreed to the first reduction in work time since the 40-hour week was legalized in 1936.

The accord, reached between the unions and the French Employers' Association — known as the Patronat — calls for a one-hour reduction in the work week, a fifth week of paid vacation and a limit of 130 hours annually of overtime that does not require authorization by labor inspectors.

One of the major planks in Mitterrand's election campaign this year was a commitment to reducing the work week.

summit's formal opening dinner, and officials while be watching eagerly for the results of this first meeting between the conservative U.S. leader and his Socialist French counterpart. The two men have adopted contrasting approaches in their economic program, with Mitterrand wanting to concentrate on reducing unemployment and Reagan focusing on the battle against inflation.

Reagan is likely to reiterate U.S. concern over the inclusion of Communists in the French cabinet, but at the same time he is known to be pleased at the French leader's strong expression of support for NATO.

Trudeau initially heralded the summit as the most important since the annual sessions began in 1975, but he now appears to have lowered his expectations. He told reporters he did not think there would be any specific decisions, but expected some positive indications to poor nations that the seven industrialized states wanted to help them.

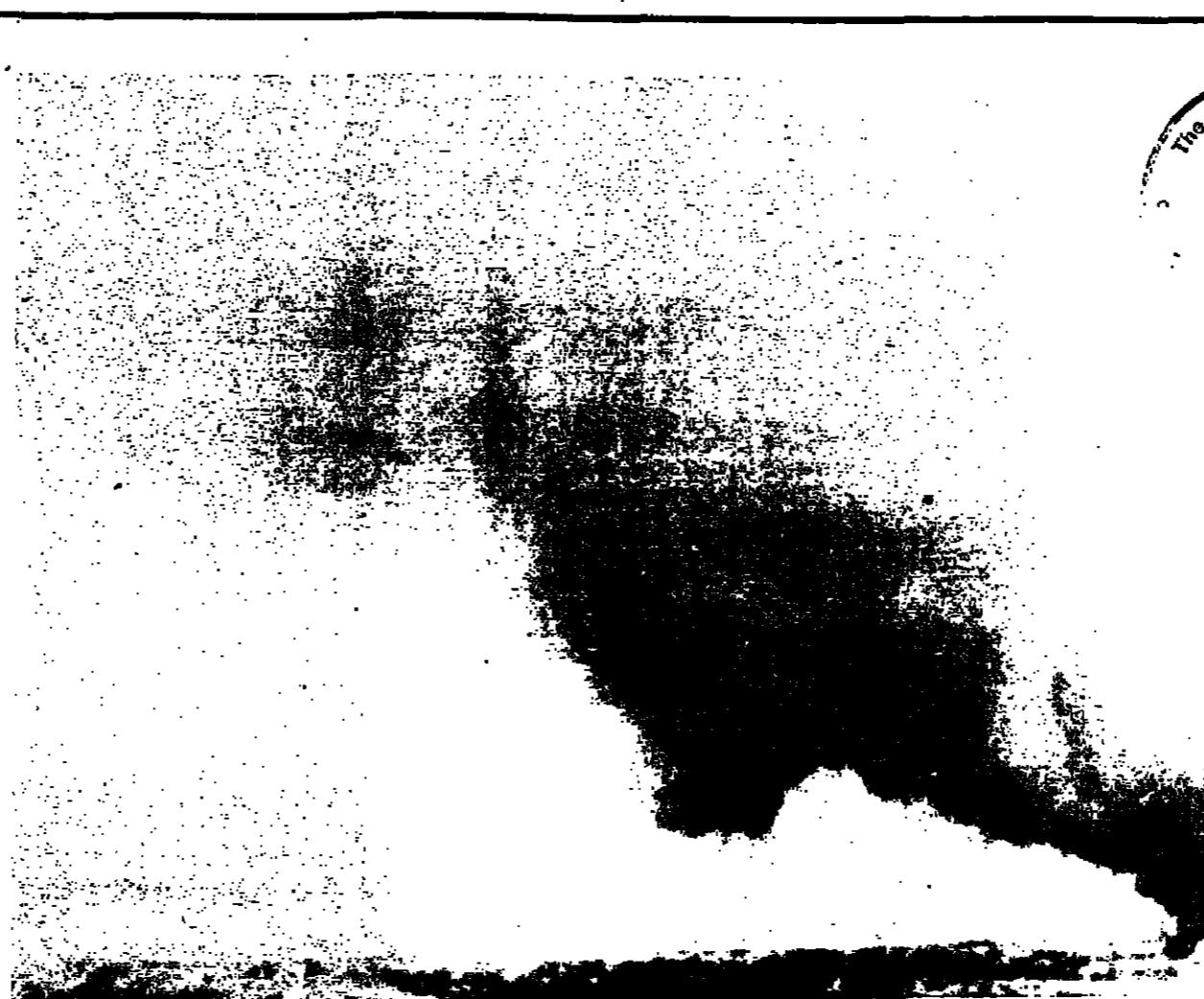
Trudeau stressed, however, that there might not be any immediate agreement on increased aid from the richer countries. Officials believe a clearer picture on this question will have to wait till the 'North-South' summit in Mexico in mid-October.

The high level of U.S. interest rates is expected to be the most touchy issue at the Ottawa conference, which ends Tuesday. Some officials say it could cause strains behind the scenes, but will not be raised publicly.

Trudeau and Schmidt have indicated that they will play an important part in the summit, emphasizing after their talks that they agree on many of the issues which will be raised.

The West German leader is sure to bring up West European concern about relations with the Soviet Union and fears that the strong position President Reagan has adopted could work against military equilibrium with Moscow. He has stressed that continued dialogue is needed to steady East-West links. The United States for its part will re-state its concerns over signs of growing pacifism in some West European countries.

The latest Israeli strike into Lebanon, which the Lebanese government said claimed 300 lives, is sure to be raised at the summit. The leaders will be eager to sound out the latest U.S. views on the situation.



BOMBING: A thick cloud of smoke rises over the Zahran Oil Refinery Friday as Israeli jets bombed South Lebanon. The Israeli aggressors hit bridges, roads and residential buildings during the raids.

Cabinet reshuffle predicted

Poll debacle may widen Tory policy split

LONDON, July 18 (AFP) — A miserable performance by the Conservative Party in this week's Warrington by-election risks widening the government split over Prime Minister Margaret Thatcher's tough economic policies. Two rival factions are at work within the Thatcher cabinet. Being buffeted by its most serious crisis since coming to power.

On one side are the hardliners headed by hawk-in-chief Mrs. Thatcher and surrounded, in all the key posts, by the likes of Sir Geoffrey Howe (chancellor of the exchequer), Sir Keith Joseph (industry minister)

and John Nott (defense minister). On the other side are the so-called "wets," led by Employment minister Jim Prior. His allies hold less sensitive posts, such as Peter Walker (agriculture minister) and Sir Ian Gilmore (Lord Privy Seal charged with European Common Market questions).

Between these factions are two distinguished party members who, without being truly moderate, want the government to tone down its economic policy, using the Warrington result as an argument. They are Foreign Secretary Lord Carrington and leader of the house Francis Pym. While the wets argue that

an efficient program to fight unemployment is worth any sacrifice, the hardliners wholeheartedly disagree — and they hold all the economic portfolios.

Sir Keith Joseph, having lost much of his clout with Margaret Thatcher because of recent poor health and falling popularity, has been overtaken in the "Thatcher favorites" league by Sir Geoffrey Howe and by Treasury Secretary Leon Brittan who are leading the fight against Jim Prior. Prior is convinced that the government's social, economic and political ills are a result of an excessively tough economic policy. His main problem is that most backbench tory M.P.s support the hardliners.

Mrs. Thatcher has managed to rid herself of Norman St. John Stevans, the former leader of the house who expressed his "wet" opinions too loudly, and of Keith Speed, the navy secretary of state who spoke out against defense cuts. But she is stuck with Prior and his allies because they are virtually "barons" of the Tory Party. Political commentators nonetheless expect some sort of cabinet reshuffle in the coming months, with the removal of a few moderates and inclusion of a few more hawks.

They feel it would be a good opportunity to bid farewell to Sir Keith Joseph, 63, who will shortly undergo surgery for a hernia and whose appearance on official tours these days is all too often greeted with eggs and tomatoes.

Once this reshuffle was over, Mrs. Thatcher would doubtless require a pledge of loyalty from the survivors, and moderates would have to shut up or go. Her rigorous anti-inflation monetarist policies will be continued, with the inevitable rise in unemployment. Many pundits forecast that electoral disaster is therefore inevitable.

They say Mrs. Thatcher played up the division within the opposition Labor Party, believing the rise of Labor's left wing would frighten the moderate electorate and lead to a further swing away from Labor at the next election.

From now on, there are three major political forces — the Conservatives, torn by their cabinet divisions; Labor, suffering similarly between moderates and leftists; and the Social Democrats, courting the Liberal Party for a possible electoral pact though they still have no clear program. Electors will be called to choose between them not later than May 1984.

U.K. staff to hold poll on new offer

LONDON, July 18 (AP) — Britain's 530,000 civil servants will ballot over the next two weeks to accept or reject an improved government offer, aimed to end a 19-week-old pay dispute that is costing taxpayers millions of dollars a week. Rejection will mean an all-out strike, union officials said.

The government originally offered seven percent to the nine civil service unions' demand for a 15 percent hike on all salaries, which range from \$8,505 for janitors to \$62,370 for top civil servants. After nearly four months of selective walkouts and job slowdowns that crippled tax collections and disrupted air travel and ambulance services, the civil service department improved its offer Friday to 7.5 percent.

The dispute so far has cost the unions \$17 million in strike pay, while chancellor of the exchequer (treasury minister) Sir Geoffrey Howe said the government has paid nearly \$208 million in interest on money borrowed to cover uncollected taxes.



RESCUE WORK: Firefighters are seen removing an injured man from under a collapsed walkway in the lobby of the Hyatt Regency Hotel, Kansas City, Friday night.

Over 108 die as U.S. hotel walkways collapse

KANSAS CITY, July 18 (Agencies) — Two suspension walkways which collapsed on dancers on the main floor of the Hyatt Regency Hotel Friday night killed at least 108 persons and injured about 150, police reported Saturday.

The death toll climbed dramatically when

searchers pulled away a new section of the rubble of the year-old luxury hotel, according to sergeant Jim Treen of the Kansas city police department. He said the figure

included only those who died at the hotel and did not take in those who may have died at local hospitals.

As the first of the bodies were pulled from a tangle of twisted girders and broken glass, officials designated one room of the posh midtown hotel as a temporary morgue. Officials said rescue efforts were hampered by natural gas leaks, and were working to shut off the leaks to eliminate the chance of explosion in the 40-story building.

Harold Knabe, a spokesman for the Kan-

sas City Fire Department, said part of the lobby in the west side of the building also had collapsed. He said equipment, including cranes, was brought in to help people who were trapped by the collapsing walkways. The walkways are stacked one over another at different levels inside the lobby of the hotel. Police said that one of the walkways fell and knocked down the others, which crossed underneath it.

The ballroom beneath the walkways was crowded with dancers at a "tea Dance," which has become a Friday night fixture at the latest luxury hotel to open in Kansas City.

A hotel staff member estimated at least 1,500 persons were in the area when the collapse occurred.

More than 40 emergency vehicles from across the metropolitan area hurried to the scene, and several of the injured were evacuated by helicopter.

Rescue workers said seven persons trapped under a mountain of concrete and steel

(Continued on back page)

Israel renews strikes

BEIRUT, July 18 (Agencies) — Israeli planes made fresh air strikes in south Lebanon Saturday hitting a bridge southeast of the Mediterranean port of Sidon, the Palestine news agency WAFA reported. Israeli jets also made several reconnaissance flights over Beirut and the south, following Friday's heavy raids which, according to official figures, killed 300 persons and wounded 800 others. WAFA said Hamra bridge, between Sidon and the inland market town of Nabatiyah, was bombed. It was the tenth bridge the Israelis have attacked in the past three day's raids designed to cut Palestinian communications.

In Sidon meanwhile, security sources reported one person killed and three wounded in an artillery bombardment by Israeli gunners Saturday morning. They said an Israeli warship also shelled Zahran to the south.

The Democratic Front for the Liberation of Palestine (DFLP), headed by Nayef Hawamne, announced Saturday that 21 of its members had died when their office was hit Friday by Israeli bombs. The DFPL said in a communiqué that among the dead were three children and two women. Most of the dead handled administrative work. The communiqué said the "crime carried out jointly by (Israeli Premier Menahem) Begin and (U.S. President Ronald) Reagan will go unpunished.

Nine bridges linking southern Lebanon to the rest of the country have been destroyed this week, cutting off a 60-km wide strip of territory. Israeli statements Saturday confirmed Lebanese and Palestinian fears that the worst was still to come. Both Lebanese and Palestinian leaders Saturday believed that Israel was prepared to invade Lebanon.

Israeli heavy artillery pounded south Lebanon Saturday, with attacks on Sidon itself, Habush, Zahran and Nabatiyah. Palestinian positions returned the fire against Nahariya, Metulla, Dan and Kyrat Shmona.

With the country split in two following the destruction of the bridges over the Zahran and Litani Rivers, the journey from Sidon to Beirut, only 50 kms takes six hours with all traffic, including ambulances, having to take a five-hour detour through the mountains. Newspaper reports Saturday said Lebanese authorities had asked Syria for prefabricated metal bridges but that these would take several days to transport and set up.

Lebanon told the United Nations that Israel's air raid on Beirut Friday killed 300 persons and injured 800.

Fakhri Saghiyah, Lebanon's delegate appealed to the 15-nation council Friday night, to "stop the carnage" and it responded with an appeal for an end to all armed attacks in Lebanon. Council members, meeting at Lebanon's request, expressed "their deep concern at the extent of the loss of life and the scale of the destruction caused by the deplorable events that have been taking place for several days in Lebanon." They also launched "an urgent appeal for an immediate end to all armed attacks and other acts of violence and for the greatest restraint so that peace and quiet may be established in Lebanon and a just and lasting peace in the Middle East as a whole."

In Paris, France responded to the Israeli raids in Lebanon by warning against a new military flare-up in the Middle East. A statement from Elysee secretary-general Pierre Bergerey commented: "It is not through force that one will reach a just settlement guaranteeing Israel's security in sure and recognized borders, Lebanon's right to live in peace and the Palestinian people's right to a homeland.

Meanwhile, Israel Saturday threatened even tougher "blows" against Palestinians in Lebanon. The warning was given on the radio by Deputy Defense Minister Zippori.

Fahd, Habib meet

JEDDAH, July 18 (SPA) — Crown Prince Fahd conferred here Friday evening with President Ronald Reagan's special envoy Philip Habib. The meeting was attended by Sheikh Abdul Rahman Mansouri, foreign undersecretary for political affairs, and U.S. Ambassador to Saudi Arabia Robert Neumann.

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Dar al Mal al Islami

Islamic financing group expands

By Alan Kenney

JEDDAH, July 18 — The Dar al Mal al Islami (House of Islamic Funds) completed its first capital stock issue of \$310 million last week, according to the organization's president, Prince Muhammad Al-Faisal.

In an exclusive interview with *Arab News*, Prince Muhammad said the Islamic organization will hold its first public subscription issue of \$250 million from the end of Ramadan until the end of the year. The financial organization aims for a total capitalization of \$1 billion by 1986.

The first stock issue brought 120 stockholders into the company. They were required to pay no less than \$1 million and no more than \$5 million for stock. Although the price of one share of stock has been \$100, the next public issue will hold a \$5 premium, as a result of the company making a five percent profit in the past four months. The \$60 million value of the group's Geneva-based investment company was absorbed for the first issue. Later the group will make a public offering in Muslim states to raise the remaining funds. Capitalization is fixed at \$1 billion since the company will compete with the world's well-established and well-capitalized financial institutions.

Although various Muslim countries have issued fatwas (religious rulings) approving the institution's activities as conforming with the Sharia, the most important victory came four months ago when Saudi Arabian religious leaders issued a fatwa approving the group's system.

"This is considered final Islamic approval for the system. The reaction was fantastic in Riyadh; it was like a Supreme Court ruling in the United States," Prince Muhammad said. The Saudi Arabian fatwa was made after a 1,500-page study



Prince Muhammad Al-Faisal
of the company's processes and methods, he added.

As a result of the Islamic financial principles the bank follows, investors will share in the risks and rewards of the group's efforts. The company will not pay or charge interest for any of its activities. A religious supervisory board will oversee the company's work and books.

At present the organization is operating pilot companies, including the Faisal Islamic Bank in Cairo, the Faisal Islamic Bank in Sudan, the Islamic Insurance Company in Sudan, an investment company in Geneva and a Takaful (Solidarity) insurance company in Geneva.

"There are other groups — not associated with us — doing Islamic operation in various parts of the world. But we are using a systematic approach with safeguards by the religious council. They can dismiss me as president," Prince Muhammad said. Members on the religious council include a former mufti from Egypt, a mufti from Sudan, secretary general of the World Muslim League Muhammad Al-Harakan, a former Supreme Court justice from Pakistan and the

council's chairman is Abdul Aziz ibn Baz, president of Saudi Arabia's departments of scholarly research, religious ruling, propagation and guidance.

The Dar al Mal al Islami already is operating in 12 countries. There also are seven projects in Saudi Arabia being financed, including a television station. However, Prince Muhammad said the bulk of the company's money is outside of Saudi Arabia. He said the company primarily is looking to set up operations in capital-short areas like Pakistan, Sudan, Bangladesh, Nigeria and North Africa.

Prince Muhammad said that his company disagrees with Western ideas that these areas are financial risks. According to studies by the Dar al Mal, only about four percent of people in Egypt deal with banks, and the challenge is to mobilize the remainder into using the Islamic banking system. He said at present his organization is opening 10,000 accounts per month in Egypt and is doing equally well in Sudan.

"The projects we take are the same that the Western competitor wants, but where he won't take it, we will — we're risk takers. I stress the fact that I go in as a businessman because I take a risk as opposed to making political handouts," he added.

Islamic banks and institutions are receiving a good response, since "the public runs to pay back the money because it is a religious duty. They are more honest than with a regular interest giving bank."

The biggest problem with an Islamic financial institution is that it must create its own system. This results from most transactions being handled by Western institutions that don't handle funds along Islamic guidelines. "Non-interest banking customers are coming to us because the depositor doesn't want interest, but he wants profit," Prince Muhammad added.

BRIEFS

DAMMAM, (SPA) — Dammam Scientific Institute's summer center will organize a religious seminar Sunday on clinics and their effect on individuals and the society. Sheikh Muhammad ibn Zaid Al-Sulaiman, chairman of the Eastern Province Sharia courts; Sheikh Abdul Aziz Al-Ahmad, member of Dammam supreme court; and Ibrahim Al-Biraikan, a teacher in the intermediate college, will take part in the seminar.

JEDDAH, — About SR40 million has been allocated for improving hospitals in the southern Region, according to local reports Saturday. The move, part of the Health Ministry's plans to develop medical services in the area, included renovations of Abha, Bisha, Khasawa, Khamis Mushayt, Zahran, Manayel and Abu Arresh hospitals.

JEDDAH — The Meteorology Directorate General plans to introduce a daily English

ish weather broadcast in the Saudi Arabian television, *Al Medina* reported Saturday. A proposal on this subject will be presented to the Information Ministry shortly.

JEDDAH, — The Kingdom has commissioned British company for the supply of certain devices to train pilots and flight attendants on managing and running affairs aboard Saudia's Jumbo 747 planes. The training facilities will be established in Jeddah within two years, according to *Al Riyadh* Saturday. The devices which includes a simulator will cost about £5 million, it said.

JEDDAH, — Sudanese nationals have been recruited to sort out mail here. Abdul Aziz Hassabullah, the director general of posts for the Western Province, said that 200 Sudanese nationals will arrive soon to work in Riyadh, Jeddah and Dammam, *Al Medina* reported Saturday.

Expansion work finished

DAMMAM, July 18 (SPA) — Expansion works on water and sewage networks, and purification plants carried out by the Eastern Province Water and Sewage department in Dammam and Alkhobar will be completed shortly, it was announced Saturday.

Abdullah Muhammad Al-Babtain, the director general, said that the department also has issued a tender for a house connection project after designs were made by a consulting firm.

Prayer and Fasting Times

Sunday 19 Ramadan:

Maghreb (Sunset)	Isha (Night Prayer)	Sahoor	Fajr (Dawn)	Ishraq (Sunrise)	Dhuhr (Noon)	Asr (Afternoon)
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Automatic Toaster — 1,750 Watts	150 128
Steam Iron — 1,000 Watts	115 97
Steam Iron — 1,000 Watts	105 89
Purpose Slicer — 100 Watts	210 183
Tea and Coffee Maker — 600 Watts	150 128
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EEC plan denounced

Brezhnev, Karmal discuss Afghanistan

MOSCOW, July 18 (Agencies) — Soviet President Leonid Brezhnev held unscheduled talks in the Crimea Friday with President Babrak Karmal of Afghanistan and an official report indicated they were unsympathetic toward European Common Market efforts to resolve the Afghan problem.

The Soviet news agency Tass said they noted that because of outside interference in Afghanistan, the quest for a settlement had "still not been put onto practical lines." Tass said they blamed the interference on imperialist countries and hegemonist forces, a reference to alleged Western and Chinese support for Afghan fighters opposed to Karmal's government.

The two leaders were quoted as saying a political solution was possible, however, and that known Soviet and Afghan proposals could serve as a good foundation. The EEC proposals, put to Moscow last week by British Foreign Secretary Lord Carrington, were not mentioned. But the message that a practical basis was still needed for a solution recalled earlier Soviet criticism of the plan as unrealistic.

Brezhnev, who left Moscow for a summer vacation in the Crimea two weeks ago, was quoted as saying the international situation had worsened recently because of actions in imperialist circles, particularly by the U.S. "These circles are pursuing an adventurist policy of undermining detente, whipping up militaristic hysteria and building up the arms race," he said.

Tass said Karmal, whose government is backed by an estimated 85,000 Soviet troops, briefed Brezhnev on the Afghan situation. Afghanistan was determined to counter any attempt to impose the old feudal system on the country, he said.

Hours before their meeting, Tass issued

Violence threatened during Iran poll

ANKARA, July 18 (Agencies) — Iranians, claiming to be members of Iran's Islamic Mujahedeen Khalq who have taken refuge in Turkey, say there will be a bloody and widespread uprising throughout Iran next Friday to coincide with presidential elections there.

The Mujahedeen members, who refuse to be named, said the uprising was planned as an intensified drive to bring down Ayatollah Khomeini and the rule of the Iranian clergy. The Mujahedeen Khalq members would offer no explanation for advertising the uprising in advance, which seemed sure to alert Iran's revolutionary guards and to increase their vigilance.

Western diplomats here suggested the prior announcement of the planned uprising was designed to scare ordinary Iranians away from polling places next Friday and prevent a representative turnout for balloting in the four-man presidential contest. The front-runner in the poll is the Prime Minister Muhammed Ali Rajai.

There are hundreds of Iranian students and thousands of ordinary Iranian citizens who are quietly slipping across the borders into Turkey in a steady but illegal stream. Most of the ordinary citizens are seeking refuge in Western Europe or the United States.

A Tehran radio broadcast monitored in London Friday said that a leading Iranian clergyman has said it would be a sin to boycott the presidential election, apparently reflecting official fears of a low turnout.

Hojaotolam Hashemi Rafsanjani said in a Friday prayer sermon that the victory of an

the sharpest attack yet on the EEC initiative, predicting it would end in dismal failure. The community was pressing forward with the settlement plan to justify "gross intervention of the reactionary forces led by Washington and Peking" in Afghanistan's internal affairs, it said.

Soviet opposition to the EEC scheme has hardened since Lord Carrington's visit. Foreign Minister Andrei Gromyko described it at the time as unrealistic but has since used the word "unacceptable." The EEC plan calls for a two-stage conference involving the five permanent members of the United Nations Security Council and Afghanistan's neighbors in the first stage. They would be joined in the second by Afghan representatives.

The Afghan proposals foresee talks between Afghanistan, Pakistan and Iran, and an end to all foreign interference — a phrase which Moscow uses to mean all opposition to the Kabul government.

Meanwhile, heavy fighting between Soviet and Afghan troops and anti-government rebels has been raging at Gulbahar, 100 kilometers north of Kabul at the mouth of the strategic Panjshir Valley, according to a report from the Afghan capital. Also, rebels wearing Afghan army uniforms recently penetrated the heavily-guarded Soviet base at Kelaqai, outside Poli Chomri in northern Baghlan province and set on fire several oil storage tanks, according to the report reaching New Delhi from a source who has been accurate in the past. The fires raged for more than four days. Neither report could be independently confirmed.

The fighting at Gulbahar earlier this week left several dozen Soviet and Afghan soldiers dead and a number of tanks destroyed, the report said.

Hours before their meeting, Tass issued

Islamic candidate was assured. But he added that the turnout next Friday would be a test of the Islamic revolution. He warned Iranians who planned not to vote: "This sin is greater than a sin committed in secret because it will inflict a blow on the Islamic republic and the Islamic revolution." Rafsanjani is speaker of the parliament and a leader of the dominant Islamic Republican Party (IRP) that is assured of victory in the election. The election has been called to find a replacement for Iran's first president, Abolhassan Banisadr, dismissed last month and now in hiding.

Rafsanjani said of the secular and leftist group that had supported the ousted president: "First of all, they have no candidate and secondly, if they had, he would not be elected." They are actively encouraging people to be indifferent to the election and trying to discourage them from going to the polls." He was apparently referring to groups such as the Mujahedeen who are the object of a big official crackdown. Most of the 200 persons executed in the past month have been leftists and up to 300 have been seized in raids on hideouts around the country.

Iranian state radio also reported the arrest of 60 leftists identified as members of the Communist Pekar Organization in the northwestern city of Tabriz. The radio, quoting a statement by revolutionary guards, said all the bases of the organization in the city had been uncovered.

It said revolutionary guards had confiscated printing presses, forged documents and lists of other members of the group during raids on hideouts over the past few days.

Israel attacks Lebanon with American consent'

BEIRUT, July 18 (AP) — "Come see the people killed," a young boy yelled at reporters on the edge of the Sabra Palestinian refugee camp in Beirut after Israeli warplanes struck repeatedly Friday.

On Abu Saleh Street, near a cluster of Palestinian commando offices that dot the fringes of the camp, bulldozers chewed into the still-burning rubble and rescue workers continued to pull bodies out of the debris, five hours after the raid.

"There's more, there's more," the rescue workers shouted as they scrambled back on top of the heap of broken concrete, smashed furniture and the litter of personal possessions, plastic buckets and clothes.

Palestine Liberation Organization commandos swarmed through the streets, firing their AK-47 automatic rifles in the air to keep crowds from gathering. Daoud Talhami, spokesman for the Democratic Front for the Liberation of Palestine, stood

on a corner near a demolished seven-story apartment building and told a reporter the targets of the attack were apparently the DFLP offices and those of Fatah and the Arab Liberation Front, both only a few hundred meters away.

"Many civilians perished, there are as many as 500 persons in hospitals being treated," said Talhami. "We hold the American government responsible and we think U.S. presidential envoy Philip C. Habib gave Israel the green light for this attack."

A reporter saw an Israeli gunboat hammer the coastal highway and commando positions near the Trans-Arabia pipeline headquarters in Zahraim, 10 kilometers south of the city of Sidon. Viewed from binoculars, the Israeli gunboat could fire rounds which exploded near commandos who shot back with machine-guns.

Sinai force accord initiated

LONDON, July 18 (Agencies) — Egypt, Israel and the United States Friday initiated an agreement to establish a multinational force to patrol the Sinai peninsula after Israeli forces withdraw next April.

A joint communiqué issued after the initialing at the U.S. Embassy here said an American career diplomat, Leighton R. Hunt, would be appointed director-general of the force and observer teams. Israel is due to pull out of the remaining territory it occupies in the peninsula by April next year under the terms of the 1979 U.S.-sponsored peace treaty signed with Egypt. The treaty envisaged a United Nations force to check that the two sides abided by the terms of the withdrawal agreement.

But the United Nations declined, citing the probability that the Soviet Union would veto establishment of a U.N. peace force.

Under an agreement reached in Cairo June 25, the three countries decided to establish a 2,000-man force, outside U.N. auspices, to police the peninsula.

U.S. chief negotiator Michael Sterner, who initiated the agreement on his country's behalf, said last month that a battalion of about 800 American troops as well as a U.S. civilian observer team would be included in the force. The lack of U.N. sponsorship has caused a number of countries to turn down requests that they participate.

Egyptian Minister of State for Foreign Affairs, Boutros Boutros Ghali, this week visited Latin American capitals to seek more troops for the force.

Meanwhile, Argentina said Friday it would consider contributing troops to the Sinai force. It said in a communiqué in Buenos Aires after a two-day visit by Boutros Ghali it would study the request "in the context of its overall foreign policy."

Kuwait's Al-Watan newspaper asked President Elias Sarkis of Lebanon to visit Moscow "now that it has been proved that friendship with the U.S. has brought only harm to Lebanon."

It added: "Lebanon which has lost its unity

and is threatened with disintegration can lose nothing by allying itself with the Soviet Union. On the contrary, Lebanon can gain some strength to defend itself and to rebuild a unified army."

Another Kuwaiti newspaper Al-Rai Al-Aam, said the Israeli strike into Lebanon was a war of annihilation.

The semi-official newspaper Al-Ittihad, of the United Arab Emirates (UAE), said the Israeli air strikes against the Palestinians were aimed at the entire Arab nation.

Gulf papers condemn Israel, U.S.

BAHRAIN, July 18 (R) — Gulf newspapers Saturday condemned Israel as well as the United States for Friday's bombing raids by Israeli jets on Palestinian positions in Lebanon, with one newspaper saying that the Israeli attack had prior U.S. approval.

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Indian minister to meet Palme

STOCKHOLM, July 18 (AP) — Indian Foreign Minister P. V. N. Rao flew in Friday to discuss efforts to end the Iran-Iraq war with Swedish former Prime Minister Olof Palme.

Rao, who stopped for an unofficial two-day stay after concluding a visit to Moscow

Thursday, would not talk to reporters in the VIP lounge at Arlanda International Airport about his meeting with Soviet Foreign Minister Andrei Gromyko. In Moscow, Indian sources said Rao assured Gromyko that close India-Soviet ties would not be hampered by the visit to New Delhi last month by Chinese Foreign Minister Huang Hua.

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U.S. tells Pakistan F-16 supply will take 'years'

WASHINGTON, July 18 (AP) — U.S. Defense Department officials have told a Pakistani military delegation that their country will have to wait for number of years before receiving new F-16 fighter planes, sources said Friday.

The proposed sale of F-16 fighters reportedly was a centerpiece in three days of discussions between senior defense and State Department officials and a military delegation from Pakistan which came here following an announced U.S. agreement to provide \$3 billion in military and economic aid to the south Asian country. The main rationale behind the new U.S. aid program, defense officials said, is to help build Pakistani defenses to counter possible Soviet incursions from Russian-occupied Afghanistan and to contribute to stability in the region.

Defense officials, who asked to remain anonymous, said the U.S. side offered no specific number of F-16s but that it was made clear the Pakistanis would not receive the

Against death sentences

Palestinians win case for retrial

ANKARA, July 18 (R) — The Turkish Civilian Appeals Court has allowed an appeal against death sentences on four Palestinian commandos, who stormed the Egyptian embassy in Ankara two years ago, and ordered a retrial.

The court ruled against the sentences passed last December by a civilian court, citing two irregularities in the initial trial before a military tribunal. The four were sentenced to death by a martial law court in 1979 but a military appeals court later canceled the sentences saying the case did not come under the jurisdiction of a military.

They were tried a second time by a civilian court which also sentenced them to death.

Their third trial is not expected to start until later in the year because of a judicial recess which began Friday, according to court sources. The Palestinians stormed the Egyptian embassy July 13, 1979 killing a Turkish policeman and a watchman on embassy guard duty. An Egyptian hostage jumped to his death from an upper story window in an attempt to escape.

They held about 12 embassy staff hostage for two days before surrendering following

Preparing for Sadat's talks

Egypt to send delegations to U.S.

CAIRO, July 18 (AP) — Egypt plans to send high-level military and economic delegations to Washington on an earth-breaking mission prior to President Sadat's visit to the United States, scheduled for Aug. 4, the weekly *Al-Ahbar El-Yom* reported Saturday.

The newspaper said the delegations would be headed by Deputy Premier for Economic Affairs Abdul Razak, Abdul Meguid and Defense Minister Gen. Abd Halim Abu Ghazala. It said Abdul Razak would seek a more flexible U.S. stand on economic aid to Egypt. No other details

were given but it is known that Egypt is getting \$750 million annually in economic assistance from Washington.

Abu Ghazala would request U.S. officials to provide Egypt with more U.S. weapons and speed up delivery of contracted military equipment, the paper said without elaboration.

Egypt has succeeded in concluding a \$3.5 billion package deal with the United States to cover military aid that included 35 F-34 jet fighters, 40 F-16 jets and 244 M-60 tanks.

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Guest worker proposal

U.S. immigration package approved

WASHINGTON, July 18 (Agencies) — President Ronald Reagan has approved the major provisions on a package of U.S. immigration reform proposals, including a guest worker program and civil sanctions against employers who knowingly hire illegal aliens, administration officials have said.

The proposals, to be announced formally next week, are essentially those recommended last month by a task force, the sources said. Disputes in the cabinet over several of the recommendations delayed presentation of the options to Reagan until Thursday.

According to the sources, Reagan considered the options overnight and disclosed his preferences to aides Friday. Some work remains to be done on details before the proposals are sent to Congress or made public, said the sources, who declined to be named.

Among the major recommendations Reagan has approved, the sources said, were:

— A temporary guest worker program to let employers bring in 50,000 alien workers annually for two years. In selecting this option, Reagan rejected the views of some advisers who sought a much bigger program that would have imported as many as one million workers annually.

— Civil penalties of \$500 to 1,000 for employers of more than four persons who know-

ingly hire illegal aliens. Employers could avoid liability by asking job applicants to produce various kinds of identification which showed them to be legal workers.

The sources said Reagan rejected a recommendation calling for an "enhanced social security card" to identify legal workers. This was an apparent victory for advisers who had argued that such a card would be tantamount to a "national identity card."

— A request to Congress for authority to begin a program of "selective interdiction" of vessels bound for the United States with illegal aliens aboard.

— Other enforcement measures in the proposals would be designed to prevent repetition of the 1980 "boatlift" from Cuba. They include asking for legislation to prohibit bringing illegal aliens to the United States, and to give the president power to ban American boats from going to certain countries during designated "immigration emergencies" and to confiscate boats used in violation of immigration laws.

— Provisions to let hundreds of thousands of illegal aliens obtain permanent resident status. According to the sources, Reagan rejected several more liberal amnesty proposals for aliens and instead chose an option to let persons who have been in the United States for 10 years apply for permanent resi-

dent status.

Justice Department spokesman Tom DeCaro said the new policy would include granting amnesty to illegal Mexican immigrants who had been continuous residents in the United States for five years before Jan. 1, 1980. The department said these illegal immigrants, estimated at between 3.5 and 6 million, would then be protected from deportation and would be able to apply for citizenship.

The question of long-term Mexican residents in the United States was discussed at a meeting between President Reagan and Mexican President Lopez Portillo when the Mexican leader visited Washington last month. The spokesman said the administration would seek agreements with neighboring countries permitting U.S. officials to seize ships outside territorial waters and return would-be immigrant aliens to their homelands. No such bilateral agreements are now in force.

When countries declined to enter into such agreements, U.S. authorities would follow present procedures for handling illegal immigrants, such as arrest and a deportation hearing, the officials said.

Soviet minister sacked for faking plant completion

MOSCOW, July 18 (AP) — A Soviet deputy power minister has been fired for falsely reporting that a Siberian hydroelectric power plant was in operation, an ideological journal has reported.

Deputy Power and Electrification Minister Nikolai Ivantsov, was dismissed after claiming last February that the first section of the Kolyma power station in northeast Siberia was generating electricity. *Partinaya Zhizn* (party life) said Friday.

In fact, the journal said, the station was nowhere near finished, and checks by party officials showed it was put into service with "major deviations from planning decisions." The plant functioned for just six days at one-tenth of its scheduled capacity, then had to be shut down again for four months so that work could be completed, the journal said.

Ivantsov was accused of reducing the scope of the project without authorization so that the station could be started up "at any price." Ivantsov, one of 13 deputy ministers, was given a formal party reprimand for permitting violations of state discipline. Similar rebukes were given to local party chief in Kolyma and to the first deputy minister, Pavel Falaleev, for allowing the plant to be handed over to the state unfinished, the report said.

The Argentine government moved against Massera, who retired three years ago as navy commander in chief, after stopping distribution of the latest issue of *Cambo* for "disturbing the social peace."

In San Jose, Costa Rica, a newspaper editor ordered jailed for 15 days for advertising deemed damaging to the judicial system has been pardoned by the council of government and will not be jailed, the government said.

The council, made up the President Rodrigo Carazo Sandi and his ministers, can overrule a Supreme Court decree, and did so unani-

Newspaper's suspension

Argentine action irks U.S.

WASHINGTON, July 18 (AP) — The U.S. State Department has said that while it regards the decision of the Argentine government to place a former member of the ruling military junta under house arrest as an internal matter it is concerned about the suspension of his newspaper.

In a clarification of a previous comment, the department said Friday that it understands that Adm. Emilio Massera, as a retired military officer, was subjected to 10 days restriction by the Argentine military.

"We regard that as an internal matter," the department said. But it said the suspension of Massera's newspaper, *Cambo*, for 15 days and the confiscation of its last edition was a different matter.

"We strongly support the principle of a free and open press in any country and are opposed to any infringement of those rights wherever they may occur," the department said.

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mously, the government said. Andres Borrasa Sanou, editor of *La Prensa Libre*, apparently still must pay a fine equivalent to \$1,162 for an ad in his newspaper Aug. 29, 1980, ruled by the Supreme Court to be damaging to the judicial community.

The woman who paid for the ad (she was not identified) was ordered jailed for three days, but the court suspended the sentence because it was the first of its type. The sentences were handed down Wednesday, but had not been implemented.

Kosovo official quits

BELGRADE, July 18 (AP) — Dzavid Niman, president of strife-torn Kosovo province, has resigned, the Yugoslav news agency Tanjug reported. The report, quoting an announcement by the provincial presidency, said Niman submitted his resignation at a meeting three days ago of the provincial presidium.

Niman's resignation followed riots in the southern Yugoslav province last March in which at least nine persons were killed.

Reagan told to curb trade in N-material

WASHINGTON, July 18 (AP) — The U.S. Senate urged President Ronald Reagan in a resolution approved 91-0 Friday to urgently seek to restrict world trade of potential nuclear bomb-making supplies.

It urges Reagan to seek "temporary worldwide moratorium" on sale of potential weapons developing equipment while nuclear-supplier countries work out an agreement on restrictions to prevent use of the equipment for weapons development.

The Senate action came several hours after the House of Representatives, by a 365-0 margin, approved a similar resolution, urging the administration to help develop sanctions against countries which secretly divert nuclear materials and technology for the purpose of making atomic weapons.

The Senate resolution also asks Reagan to seek better international inspection of nuclear programs, a policy Reagan had already declared Thursday. Sen. John Glenn, chief sponsor of the resolution, told the Senate he hopes Reagan will consult with other nuclear-supplier nations in Ottawa next week to begin working out an agreement to restrict the "dangerous nuclear trade."

Glenn said all nuclear-supplying nations except Switzerland will be represented at the seven-nation economic summit conference in Ottawa. "The president's policy is very vague," Glenn told reporters later. "We hope we can strengthen their backbone over there and get meetings with suppliers."

Reagan announced Thursday that his policy also will be to "inhibit the transfer of sensitive nuclear material, equipment and technology, particularly where the danger of proliferation demands." The president did not say how that will be done but administration briefers told reporters that such details are being drafted.

Austria seeks help to resettle refugees

VIENNA, July 18 (AP) — Interior Minister Erwin Lanc has said Austria will have to wait two months before other Western countries decide if they can take on more of the Polish refugees who are pouring into Vienna, overflowing government-run refugee camps and creating financial strains on the government.

Lanc said Austria had asked the United States, Canada and Australia, the three most popular destinations for Polish refugees arriving here, to increase their quotas for Polish refugees.



MURDER SUSPECT: Free-lance cameraman Wayne B. Williams (left) is escorted by a deputy sheriff Tuesday to a surprise appearance before a judge in Atlanta. A grand jury has indicted him for two of the 28 murders of young blacks in the area over the past two years.

Atlantan indicted in 2 deaths

ATLANTA, Georgia, July 18 (AP) — A 23-year-old black free-lance cameraman has been indicted on two counts of murder in the deaths of Jimmy Ray Payne and Nathaniel Carter, two victims in a series of 28 slayings of young blacks, district attorney Lewis Slaton said. The bodies of both Payne and Carter were found in the Chattahoochee River.

The indicted man, Wayne B. Williams, had not been charged previously in Payne's death. He was arrested June 21 on a murder charge in the Carter case. Payne's body was found April 27 in the Chattahoochee River. Carter's body was found May 24 in the river near the spot Payne's body was found.

Kidnapped Neapolitan

NAPLES, Italy, July 18 (R) — A Naples city councilor kidnapped by Red Brigades' guerrillas has written to two of Italy's top politicians pleading with them to help earthquake victims, as his captors demand, in order to spare his life. Police said letters from Ciro Cirillo to Socialist Party leader Bettino Craxi and Christian Democratic Party Secretary Flaminio Piccoli were found in a rub-

Slaton refused to say Friday when his investigators began looking at the Payne case and declined to say if Williams was a suspect in any other cases being investigated.

Williams came to police attention May 22, when officers staking out a bridge over the Chattahoochee heard a splash and spotted Williams' car being driven slowly over the bridge.

Two days later, Carter's body was found downstream from the bridge, and Williams was placed under 24-hour surveillance. He was brought in for 12 hours of questioning June 3 but was not arrested and charged with Carter's murder until June 21.

Seeks aid to quake-hit

ish bin after a telephone call to the Naples daily *Il Mattino*.

Cirillo, 60, appealed to them to help rehouse earthquake victims as the Brigades have demanded as a condition for not carrying out a death sentence they have passed on him. "You must overcome the bureaucratic and administrative difficulties of the council ... to do justice to the earthquake victims," he wrote to Piccoli.

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3RD DRAW Ahmed Awadh Balkhayr 13895
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5TH DRAW Honeywell(Arabian Ltd.) 13733

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Crisis looms in divided Cyprus

By Robert Little

Voters in the Turkish federated state of Cyprus two weeks ago produced the worst possible result. The government that will now eventually be formed will almost certainly not reflect the majority view of the people, but more likely the talents of party leaders to cobble together sufficient of a parliamentary majority to obtain a vote of confidence when the new House of Representatives meets at the end of July.

President Rauf Denktash succeeded by a considerably reduced majority in returning to office for a second and final five-year term. On the other hand, his National Unity Party (UBP) suffered a serious setback by winning only 18 of the 40 seats in the assembly, thereby, as predicted, losing its overall majority.

The surprise result of the elections was the 14-seats won by Alpay Durduran and candidates of his Communal Liberation Party (CLP). In the old assembly his party had only three sitting members. In political complexion Durduran's party can best be described as being to the Left of most Western European democratic Socialist parties. Durduran's problem will come in trying to find common ground to form a coalition with members of the three smaller parties. A predictable ally will be Ozker Ozgur and the other three members of his Republican Turkish Party (CTP). But as an avowed Marxist-Leninist party, with close links through Moscow with the Greek Cypriot Akel Communist Party in the South, whether it would be wise for Durduran's political future to form such a grouping is another matter.

Nearly one quarter of the Turkish federated state's annual budget and the total cost of maintaining the 20,000 Turkish security forces in North Cyprus is paid by the Turkish government in Ankara. The strong anti-Communist views of Head of State Gen. Kenan Evren and his colleagues on Turkey's National Security Council are well known. It is most unlikely that they would sit back and watch the growth of Communist influence in their own backyard without taking some form of action.

But even with the backing of the four CTP members Durduran would still be three seats short of the magic figure of 21 required for an overall majority. What is as near certainty as possible is that there will be no chance of the other two remaining parties in the house, the Democratic People's Party (DPP) with three seats and the Cyprus Turkish Party (TKP) with one seat, joining in any coalition as partners with the Marxist-Leninists.

Which brings us back to the prospect of an understanding being reached to form a government between the 18 members of Denktash's UBP and the 14 members of Durduran's party?

At a first glance the possibilities seem rather remote. Comparing each of the parties' election programs it is strikingly evident that their policies are poles apart. When on the eve of polling day I first put the question to Durduran, when it appeared the possibility could arise, he declared that "under no circumstances" would his party be willing to join with UBP members in forming a coalition government. When I repeated the same question to him the next day, as the pattern of the results began to emerge, his more cautious reply was: "Let Mr. Catagay (UBP leader in the house) contact us first and then we will see."

When I put the same question to Denktash his reply was more philosophical. "We will find a solution in the end I'm sure. We have learned to live with slender majorities and we will work something out between us," he said.

The main reason for the shift of voters away from the UBP at the polls appears to have stemmed from criticism that too great an emphasis has been placed by Denktash's administration on encouraging economic expansion by offering preferential terms to private investors, particularly to attract foreign investment from abroad. Promises to workers in the past of jam tomorrow in return for the belt-tightening conditions of recent years have led to the suspicion that tomorrow may never come. These

fears and suspicions during the elections were exploited by the opposition parties, which promised a wider spread in distribution of the state's available resources. Larger industries would be nationalized and greater stress would be placed on encouraging the development of agricultural and industrial cooperatives in place of individual private enterprise.

It is expected that as the reelected President Denktash will now invite the outgoing prime minister and UBP leader in the house, Mustafa Cagatay, to try to form a new government. Because of the celebrations this week to mark the seventh anniversary of the founding of the Turkish federated state, it will be some weeks before the outcome of his negotiations with the other parties is known.

What is likely to be greatest casualty of the undiscursive results of the elections will be the U.N.-sponsored intercommunal talks with the Greek Cypriot administration in the South to establish a federal constitution for a reunified Cyprus. Six weeks ago the elections in the South produced a 12-12 tie between Glafcos Clerides' United Democratic Party and the Akel Communist front. It is most improbable that Denktash or the two main parties in the new assembly in the northern sector would agree on a joint administration which included a Communist presence.

Zimbabwe bans contraceptive drug

By Stephen Taylor

SALISBURY —

Zimbabwe has become the first country in Africa to ban a controversial but widely used contraceptive drug, causing deep concern to officials dealing with one of the world's fastest growing populations. The debate here over Depo Provera poses a particularly African dilemma. The drug, administered once every three months in an injection, has been prescribed in Zimbabwe for 12 years and has been a key part of the country's birth control program, being used by more than 100,000 women, often without their husband's knowledge.

The Zimbabwe cabinet decision, disclosed two weeks ago, to phase out the drug has not been explained but is believed to have been taken because of some evidence that it may cause blood clotting and thrombosis. The United States and some other Western countries — but not all — have banned it.

Medical authorities here maintain that authoritative studies show that Depo Provera is no more dangerous than any other hormonal contraceptive and believe it is at least part of the answer to Africa's population problems. With a three-month safe period, they say, it is ideal for women living in remote rural areas as well as being cultur-

ally acceptable.

Peter Dodds, head of the local Family Planning Association, has resigned in protest at the ban which he believes will have a disastrous effect on the organization's attempts to reduce Zimbabwe's birth rate, which is the third highest in Africa and fourth in the world. Not long ago, Zimbabwe ranked second in Africa after Kenya in its population growth but the rate has been significantly reduced, largely Dodds believes, because of Depo Provera.

The Zimbabwe cabinet is understood to have wanted an immediate ban but was advised by the minister of health, Dr. Herbert Ushewokunze, that this would be impossible. The cabinet opted instead to phase out use, although over what period is not yet known.

The Family Planning Association is the national contraceptive supplier and is hastily trying to devise a program to transfer the 100,000 women to other contraceptives. "I do not know how we will cope. This has really put the clock back," Dodds said before he resigned.

Meanwhile, impressed by Zimbabwe's successful reduction of its birth rate, a Kenyan family planning team is due here to seek advice on dealing with what is now the fastest population growth in the world. (ONS)

Dutch neutralism worries NATO

By Smart Harris

THE HAGUE — American news columnists are calling it Dutch disease or Hollanditis, a contagion that Western defense officials fear may be infecting other countries. The Netherlands' American allies in the North Atlantic Treaty Organization (NATO) have expressed increasing concern at the effects of Hollanditis — seen as neutralism, pacifism and unilateralism.

They are worried it could sap the will to bring in 572 new U.S. nuclear missiles approved by NATO in 1979 to counter growing numbers of new Soviet SS-20 missiles aimed at Western Europe. A senior U.S. official recently said after a trip to Europe: "There is a rise of pacifism and neutralism... damn it, if the Alliance now can't proceed with that decision, we will have shown the Soviet they have a veto power over our deployment plans and we will have shown each other that when it comes to a really tough decision, we can't make it."

The Dutch government is due to decide in December if it will accept 48 new U.S. missiles as part of the NATO plan, but is widely expected to postpone the decision.

U.S. Secretary of State Alexander Haig, recalling the 1979 agreement, hinted on Tuesday that a delay was likely: "We would like very much to have the Netherlands and Belgium join in that consensus and I'm optimistic that over time they will."

The Dutch government, still not formed after the May 26 elections, is caught between a strong anti-nuclear lobby at home and commitments to its NATO allies abroad. A recent all-party report called "New Nuclear Arms in the Netherlands — yes or no," concluded that the government's choice was to say yes to the missiles in December and not be right to say no and be wrong, or say maybe and signify nobody.

Refusal would be best for domestic public opinion but would damage NATO and encourage anti-nuclearists. Accepting the weapons could inflame Dutch opposition... and so hurt NATO in the long run. Postponement of the decision in December would do little to defuse the issue at home and would probably be seen by NATO allies as the prelude to a refusal, the report said.

Only one of the four main Dutch political parties, the Liberals, solidly supports the new missiles. The biggest party, the Christian Democrats of caretaker Prime Minister Dries Van Agt, and deeply divided on the issue.

Labor leader Joop den Uyl narrowly managed to stop labor's pre-election Congress from adopting a stance of unilateral nuclear disarmament advocated by a militant church movement.

While Americans are concerned by what they see as the apparent European blindness to the Soviet threat they perceive, Dutch politicians are worried that Americans will misunderstand European views in their determination to take a hard line against the Soviet Union. "Insistence on accepting new nuclear systems is giving the Dutch a neutralist label we do not deserve... the U.S. lifted its grain embargo on the Soviet Union in response to domestic pressure, so it should have some insight into the situation of the Dutch government," a defense specialist told Reuters.

Much of the growing anti-nuclearism in the Netherlands and West Germany has been coordinated by religious groups in tune with the conscience of Protestant Northern Europe. Defense analysts and political commentators generally agree that the dominant influence on the Netherlands is Calvinism, a highly moralistic brand of Protestantism which puts great emphasis on individual responsibility to do good.

Even Catholics and atheists here are Calvinist... nuclear weapons and atomic energy fulfill the role the devil used to play when people were more religious," according to Jerome Helderding, a leading columnist and director of the Dutch Institute of International Affairs, an independent study body. "The current wave of pacifism is an old Dutch tradition. It stopped after the war, when communism was seen as the greatest evil, but the new generation took it up again," he said. (R)

Saudi Arabian Press Review

Newspapers Saturday led with Israel's large-scale attack on Lebanon, in which the enemy warplanes and boats were busy in their offensive right from Nakourah in the south to the capital city of Beirut. Nine bridges were reported to have been destroyed, nearly 150 persons were killed and another 600 injured in Beirut. The papers said that the Israeli raids mostly concentrated on civilian objects in Lebanon.

In a front-page story, newspapers reported that, following the Israeli attack on Lebanon, the United States has announced it is postponing its decision on the supply of F-16 warplanes to Israel. Okaz reported on its front page that Saudi Arabia is trying to conduct a meeting between King Hassan II of the Morocco and President Chadli Benjedid of Algeria for a rapprochement between the two countries. It also highlighted a statement by the French Foreign Minister in which he reportedly said that France will remain committed to its previous pledges and will continue to support efforts to realize peace in the Middle East.

Al Medina gave page one highlight to a report which said that Pakistan has reiterated its refusal to accept any bases on its territory. In a front-page story, *Al-Bilad* quoted the Iraqi ambassador to the Kingdom as saying that Saudi Arabia's intention to rebuild the Iraqi nuclear reactor at its own expense demonstrates its concern for Arab causes and solidarity.

Commenting on the rebuilding of the Iraqi nuclear reactor by Saudi Arabia, *Al Medina* observed

that this decision symbolizes the spirit of brotherhood in the Kingdom's stances. The decision also provides an eminent proof that this country believes in deeds, not words, said the paper, adding that the enemy will now realize that the Kingdom's decision to rebuild the reactor has completely dashed all its objectives and plans. The Saudi Arabian initiative has shown the real importance of a joint action among the Arabs, and has further proved that the Arab nation is fully determined to realize its objectives.

On the same subject, *Al Nadwa* noted that the Israeli attack on the reactor had shocked the entire Arab and Islamic world and soon a reaction was seen in the Kingdom's decision to rebuild it at its own cost, so that work should continue to strengthen the nation and to enable it to repel any Zionist plot against it. The paper added that, as in 1967 King Faisal had successfully brought about a change in President De Gaulle's policy toward the Arab issue, King Khalid was able to convince President Mitterrand of France of the need to continue to abide by the just stances on the crucial issues of the Arabs. The paper lauded France's response to rebuild the reactor and to continue to impose embargo on the supply of French arms to the Israeli enemy.

On the other hand, *Al Jazirah* dealt with Israel's dastardly attack on Lebanon and said that it wants to see Lebanon capitulate, giving a lead to other Arab states to submit to the Israeli wishes as envisaged in the Camp David plan. In order to achieve its

objectives, Israel has tried hard to blow up the peace efforts of the Arab Follow-Up Committee on Lebanon, being convinced that it will be isolated from the Lebanese crisis if the committee fully succeeds in its conciliation efforts. The paper added that Israel has escalated its offensive in South Lebanon perhaps to launch a surprise attack on Syria to create a military and psychological pressure on the Arabs in general and on Lebanon in particular.

On the same subject, *Al Bilad* observed that Israel's persistent attacks on Lebanon urge the world to think of the dimensions of the enemy's criminal activities and to strive to put an end to its intransigence. It added that peace was about to be restored in Lebanon, but the world Zionism does not want to see Lebanon flourish under peaceful conditions and build bridges of peace and understanding between it and the outside world.

Okaz also resented the Israeli attack and the West's bias toward the Israeli enemy. The paper said that the funeral of three Israelis, who were killed in the Palestinian rocket attacks, was given a much wider coverage in the Western press than the news of the killings of hundreds of Arabs in South Lebanon in the Israeli attack. The paper did not see any use in calling a meeting of the Security Council, instead it urged the Arabs to strengthen themselves for a tough confrontation with the enemy whose only aim, it said, is to blow up all Arab efforts to realize a national reconciliation in Lebanon.





FRIENDLY WHALE: Four-year-old Philip Lacinak demonstrates that even "killer whales" aren't anything to fear. His father, Bill Lacinak is a whale trainer at Sea World in Florida. The little boy will soon become part of a show in which he will work with the whale. (CP)

Weaponless battleship dispatched

Small crew to fight Soviet whalers

By Eleanor Randolph

ALEXANDRIA, Va., (LAT) — Paul Watson, the commander of a small crew of intense young eco-guerrillas, was explaining why he was ready to cause an international incident, if necessary, to spare the lives of his ocean-bound friends, as he calls them, the great gray whales.

"We're going after the Soviets this season," Watson said as he sat in the austere captain's quarters of his rusty trawler, the Sea Shepherd II. "We're going to put this vessel, and our bodies really, in between that big Soviet whaler up off the coast of Alaska, and we're going to do whatever's necessary — short of harming people or whales — to stop this slaughter of the grays."

Watson, whose weaponless battleship has since started making its way to the West coast for last-minute fund-raising events before any such encounter, is accustomed to fighting for whales in an unorthodox way. Watson and his friends first came to public attention as whale vigilantes in 1979 when he rammed Sea Shepherd I into a Portuguese whaling ship, the Sierra, crippling her until other opponents of whaling could attach a magnetic mine to her hull for the final destruction.

"If anything happens up there with the Soviets, they will be the ones causing the international incident, not me," said Watson, a 30-year-old Canadian. "The Soviets are the ones conducting the massacre, to me."

Political Undercurrents Exist

Watson's plan is just one of the unexpected undercurrents the Reagan administration has discovered lurking in the whaling issue, one that had been expected to provide it with easy sailing. As any good politician knows, saving the whale is almost the political equivalent of supporting the boy scouts. Millions of Americans, except for some of the whaling Eskimos in Alaska, seem to have a special yearning to protect whales. As many in the save-the-whale movement see it, the gentle, intelligent ocean-going mammals have a more complex social structure than many humans.

But befriending the whales is good politics in many parts of this country, it provokes problems elsewhere, not only between Watson and the Soviets but with the United States' much-beleaguered allies, the Japanese.

"Japan has always been firm friend and ally of the United States," said Alan Macnow, consultant to the Japan Whaling Association in testimony June 25 before the Senate Commerce Committee. "But within the past few months, a number of incidents have shaken Japan's trust in our country. First, a U.S. nuclear submarine sank a Japanese freighter and sped away without offering assistance to drowning seamen.

"Then, there were revelations that the United States secretly stored nuclear weapons on Japanese territory. This was followed by U.S. warship destruction of Japan-

ese fishing gear. Add to these incidents Japanese resentment over U.S. pressure for a reduction in automobile exports and ... you have a very volatile situation," Macnow said.

With only a few days until the Reagan administration makes its first appearance at a meeting of the International Whaling Commission (IWC) scheduled for July 20 in Brighton, England, the administration appears to be caught in an internal struggle over whether to support the Whales or the Whalers.

Political Influence Sought

This struggle reportedly began May 18 when Secretary of the Interior James G. Watt surprised environmentalists by proposing that his old friend and fellow Wyoming native, Tom Garrett, be named Whaling Commissioner at this year's whaling conference. Garrett, an ardent friend of the whales with strong opinions about what he regards as the excesses of the whaling industry, said Watt believed that whales were "gentle, beautiful creatures that should never be abused."

However, Watt's letter provoked widespread irritation at the Department of Commerce, where Secretary of Commerce Malcolm Baldrige would normally select the commissioner. Garrett's appointment became a battle not only over marine mammals but over bureaucratic turf.

"It was the way Watt did it," said one participant in the internal dispute. "If he had just gone to Baldrige and said he wanted Garrett to be whaling commissioner, it probably would have been fine. Instead, he slaps out a press release and letter that says, in effect, 'We must support whales because it is right for America.'"

As a result, Baldrige delayed naming Garrett as commissioner and then appointed him only to an "acting" position. He will be replaced next year by the director of the National Oceanographic and Atmospheric Administration, the person who has traditionally held the commissioner's job.

Delays Confuse Experts

The delays, however, have sent confusing signals to international whaling experts, according to some close to the commission. "The question will be whether the United States is going to approach the IWC politically or scientifically," said one veteran of whaling disputes. "It's beginning to look more political with these folds."

The Reagan administration has backed the standard U.S. position in favor of a ban on all commercial whaling, although such a measure will be difficult to pass at the whaling conference, since the nine nations that support whaling are expected to have enough political weight to block it.

Alternate Plan Offered

As an alternative to the total ban, whale supporters are pushing for a ban on commercial

whaling in the northern Atlantic. Some members say such a proposal may have a chance if the United States appears to be firmly behind it.

Whether the United States will broadcast that impression is unclear. Some whaling officials believe that since the United States recently persuaded the International Whaling Commission to allow Alaskan Eskimos to hunt bowhead whales as part of their cultural heritage, it will be difficult to push for a moratorium on the other side of the continent.

"Until this contradiction is resolved by stopping the bowhead hunt, the United States cannot hope to lead the IWC to a moratorium," Dr. John E. Kelly, research professor of science and public policy at the University of New Hampshire, argued recently at a Senate hearing on whaling policy.

"Quite the contrary, the United States can expect to be viewed with suspicion and disrepect which befits one who condemns another for crimes which himself commits."

Moreover, the whaling nations, in particular the Japanese, are pushing the Reagan administration to accept the view that whale meat is a part of Japan's culture and heritage, just as it is for Eskimos.

"The Japanese have a hard time realizing how many Americans feel about this issue," said Bert Ingalls Hickman Jr., a Washington lobbyist for the Japanese Whaling Industry. "The Japanese, for whom whale meat is part of their tradition, see whales as a renewable resource, just like Americans feel about timber."

Hickman, who noted that there were 45,000 whales killed each year when the IWC first began meeting in 1973, said that 13,851 whales are now "harvested" each year. Japan is also the chief market for most of the whales that are killed commercially, and has banned whale meat that is not caught according to IWC rules.

"We realize there is no support for whaling in this country politically," Hickman said, "but Americans have got to understand about the Japanese. Who got them back into whaling after World War II? We did. Gen. (Douglas) MacArthur helped get the (Japanese) whaling fleet going again because the country needed food."

As the Reagan administration weighs the complex arguments over international whaling, some officials are quietly monitoring those outside the IWC framework — either the few so-called "pirate whalers," who do not go by the international rules, or the Paul Watsons, who do not believe that whales are saved by white papers and polite communications.

"I'm a self-appointed police force," said Watson, whose tactics have not been supported by most environmental organizations.

Andrea Doria claims another life; new treasure search planned soon

By Blaine Harden

WASHINGTON, (WP) — The treasure-laden Andrea Doria, an Italian luxury liner that sank 25 years ago off Nantucket Island after a collision that took 51 lives, recently claimed the life of a bank vice president from Westchester County, N.Y., who had gone diving in search of souvenirs.

The body of John Barnett, 40, was recovered by his diving partners at a depth of 180 feet on the bridge of the massive, rusting wreck. The Andrea Doria sank in 240 feet of water about 50 miles south of Nantucket. Barnett was one of scores of adventurers and treasure hunters who have descended into the cold, murky, shark-infested waters that surround the Andrea Doria.

They have gone in search of the \$1.1 million in cash in the ship's vault and thousands of dollars worth of sculpture, silverware, China and painting scattered throughout the first-class section.

Elaborate plans have been proposed since the sinking to raise the 39,500-ton, 697-foot ships by using millions of miniature golf balls and injections of plastic foam. Expensive salvage attempts have been foiled because almost all of the ship's treasures are on the starboard side, which is virtually inaccessible against ocean floor.

Two additional million-dollar treasure

treasures from the ship.

Barnett, a marketing vice president for Cunibank in New York City and a licensed diving instructor who has been diving since he was 16 years old, was returning to the Andrea Doria for the second consecutive year when he died.

"My father took two weeks off of work to go back to Andrea Doria. He wanted to get the ship's steering wheel (the helm) and some artifacts for his collection, to put on his wall," said Steve Barnett, 17, the victim's oldest son. Barnett was married and had four children.

Police in Montauk, N.Y., where Barnett's body was brought for an autopsy, said the victim was one of five experienced amateur scuba divers who took a 46-foot cabin cruiser to the dive site. Detective Van Quic said Barnett failed to surface with his diving partner after the first dive of what was a "pleasure" excursion, not a salvage expedition. The cause of death has not been determined, according to the Suffolk County Medical Examiner's Office.

"It is incredibly dangerous for anybody to make a scuba dive for the Andrea Doria from the surface," according to Bob Hollis, a deep-sea diver from San Leandro, Calif., who eight years ago tried and failed to recover

the sunken liner.

Gimbel, according to Hollis, has developed a plan to use cranes and other equipment to pull the ship apart and reach the treasure.

'Biggest ever' security plan protects wedding dignitaries

By Hugh Carnegy

LONDON, (R) — London's police are staging their biggest-ever security operation for the marriage of the heir to the British throne, Prince Charles, and Lady Diana Spencer at St. Paul's Cathedral on July 29.

The wedding's pageantry, pomp and color, may be a welcome tonic to most Britons weary of riots and recession, but it poses a severe headache for the police.

Recent assassination attempts on President Ronald Reagan and Pope John Paul and a gun scare for Prince Charles' mother Queen Elizabeth are grim warnings to those in charge of security on the big day.

Not just the wedding couple, but the rest of the royal family and hundreds of world politicians and dignitaries have to be protected as they make their way along a two-mile (3.5 km) route lined by thousands of onlookers from Buckingham Palace to the cathedral.

The metropolitan police and London's other force, the city police, are jointly organizing what one senior officer called "the biggest security operation we have ever mounted."

It will involve thousands of uniformed and plain-clothes officers on the ground, armed men on rooftops, sophisticated closed-circuit television systems and extensive screening of buildings and people in them along the protection route.

With tension high in Northern Ireland over death threats by jailed republican guerrillas vigilance is especially sharp against possible bomb attacks by the Irish Republican Army (IRA) who have pierced royal security before. But the main fear is that of the lone assassin unconcerned about his own fate.

Last month a teenager mingling with the crowds in the mall, part of the route on the wedding day, fired blank pistol shots at the queen as she rode on horseback to a military ceremony. And it was lone attackers who shot and wounded President Reagan in Washington and the Pope in Rome earlier this year despite massive security efforts.

Informed government sources say London police chiefs are deeply concerned by the impossibility of protecting those involved in the wedding.

Only if the royal family reduced its public appearances, which it refuses to do, could full

protection be guaranteed. Instead, on July 29, Prince Charles, Lady Diana, the queen and Prince Philip and many other royal family members and guests will travel to and from St. Paul's in open horse-drawn coaches. They will pass within yards of thousands of people lining the route and inevitably will remember past attacks on the royal family.

In 1979, the queen's close cousin Earl Mountbatten was killed when a bomb planted on his cabin cruiser by the IRA exploded off the west coast of Ireland. Five years earlier Prince Charles' sister, Princess Anne, narrowly escaped a kidnap attempt when a gunman held up her car in the mall, a central London avenue. Her personal detective was shot and wounded before the assailant fled.

But even last month's incident, when the lists are being carefully checked against police records for suspicious characters to enable police to identify any unaccounted-for people in the buildings on rooftops, some of them armed.

According to Deputy Assistant Commissioner John Radley of The Metropolitan Police, operational commander of wedding security, police will also be stationed on rooftops, some of them armed.

After his wedding Charles plans to continue sports

By Andrew Warshaw

Queen Elizabeth II, is concerned that her son might injure himself, and his decision to keep playing polo is unlikely to please Lady Diana, who wants him to give up the sport, according to the *May Star Newspaper*.

His 20-year-old bride does not share the royal's love of horses. She fell off one and broke her arm when nine years old and lost her interest in riding.

At Wimbledon, Lady Diana told women's singles champion Chris Evert Lloyd that Charles' hobby is still, although she hopes to calm him down after their marriage. Whereas the prince is rated among the best polo players in the country, his horse racing experience is minimal and therefore his risk of injury greater. He says he is determined to ride as an amateur in next year's prestigious Grand National, toughest steeplechase of them all.

After his rumbles, the staunchly monarchist *Daily Express* beseeched the prince to give up the "perilous pastime." The prince was undeterred. "It's part of the great British way of life, and none of the other sports I've done bears any comparison," said Charles, who has said he hates being called "action man."

The prince sets a wicked pace. Straight from a troubled trip to New York last month where he was heckled by pro-Irish Nationalist demonstrators, Charles arrived at Buckingham Palace, jumped into a helicopter and piloted himself to Portsmouth where he joined ex-King Constantine of Greece and went skydiving at the wreck of a Tudor warship.

Despite two heavy falls and a bloody nose last March from the back of his steeplechase horse Charles returned to racing at Ascot this month for a charity event. His mother,

German minstrels must play by the rules

By David Lewis

BONN, — Germany's wandering minstrels are being made to play by the rules. Street musicians dusting their guitars or polishing their mouth organs for a lucrative season in the Federal Republic will face a growing number of rules and regulations.

A law passed in Hamburg has banned buskers from the city center after business people protested against what they called nerve-deadening singing and rhythms. A magistrate in Dortmund, saying he wanted to protect non-revolutionary citizens, fined a busker 40 marks (about \$17) for singing about nuclear power and housing shortages.

And in Munich, traditionally a popular center for latter-day minnesänger (balladeers) from all over Europe, a pressure group is campaigning vigorously against noise terrorism.

In many parts of the country, buskers are subject to local laws curbing performance times and requiring them to seek official permits before playing.

Even in Bonn, where neither city authorities nor buskers complain of problems, detailed regulations govern street musicians.

City authorities distinguish between those who are trying to live from their talent, and more amateur musicians who take to the street only occasionally.

"We understand there are people who sometimes feel an urge to stand up and perform, and then we turn a blind eye," senior city official Wolfgang Schloemer says. But the professionals are still supposed to present themselves at city hall every morning and pay five marks (\$2) to be licensed under various laws on sound pollution and public order.

The city licenses four or five musicians a week in high season, but many others seem to slip easily through the bureaucratic net. Two teenage students playing jazz guitar recently on the streets of Bonn had never heard of the permit system or of a rule forbidding more than half an hour's performance in any one place.

Christian Barthels, a 15-year-old who entertains the local populace with a mixture of his own compositions and ballads such as "Streets of London," wasn't sure whether he needed an official permit or not.

Even though he has busked for two years to supplement his pocket money, he has never

come into conflict with the authorities. "The biggest problem I have is older people telling me to clear off and beg somewhere else," Christian says. "But I don't look on it as begging — people don't have to listen to me."

Despite the many regulations, West German authorities have not yet gone so far as to test prospective street musicians for the quality of their music.

In London last year, buskers wishing to perform in the restored former vegetable market of Covent Garden had first to undergo auditions held by the Greater London Council.

"That's an absurd idea," said Schloemer. "If they're any good, they'll survive. And if not, they just won't earn any money and they'll give up."

Not everyone takes his laissez-faire view, however, as that political lyricist in Dortmund found out. He took his case to a higher court, and had the fine rescinded, but the authorities did not let the matter rest. He was immediately prosecuted again, this time for using an amplifier — without the required permit.

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Bill Rogers takes the lead in British Open

Nicklaus stages magnificent recovery

SANDWICH, England, July 18 (AP) — Bill Rogers had the lead, Tom Watson was in position and, almost incredibly, Jack Nicklaus still had an outside shot at the title Friday after two rounds of the 110th British Open Golf Championship.

"After what I did Thursday, I figured I'd better go out and play a good round of golf if I wanted to play again Friday," Nicklaus said. And the man who has won a record 17 major professional titles and stamped himself as the finest performer this ancient game has seen, did just that.

He played a round of 66, four under par and matching the record on the Royal St. George's Golf Club course, stretching 6,829 yards through knee-deep hay and rolling dunes beside the English Channel.

That was 17 shots better, just one away from a stroke-a-hole improvement, over that staggering, career-worst 83 he had in the first round. And, at 149, he was 11 strokes off the halfway pace set by the skinny Rogers. Watson, the Masters champion and defending titholder here insisted it was just within in Nicklaus' range. He can win there," Watson said. "It isn't probable, but it's poss-

ible. It can be done."

Rogers also tied the course record, but he held a share of it only for a couple of hours before an obscure British club pro, G.J. Brand, broke the mark with a late-afternoon 63 that included a hole in one on the 165-yard 16th hole. He was at 143.

Rogers' 66 was a thing of consistency, a trait that has become a personal trademark of the man who was, almost inevitably, dubbed "Buck" by his fellow American tourists.

He did not make a bogey. He missed only three greens. And, in two rounds, he has yet to venture into the deep rough. "I love this course," Rogers said after posting his 138 total, "two strokes under par." "It seems to be built for my game, in that the premium is keeping the ball in the fairway." "I feel pretty good about my game and I think I should be right there in the thick of things at the end."

His good friend Ben Crenshaw, with whom he is sharing living accommodations at a nearby club and with whom he will play in Saturday's third round, and 31-year-old English pro Nick Job shared second at 139. Crenshaw, who longs for the one major title he needs to confirm his stature in the game,

had a 67 despite bogeys on two of the last three holes. Job shot 69.

Bernhard Langer of West Germany, a regular on the European tour, was at 140 after a 67. He was followed by Sam Torrance of Britain at 69-141. Watson, with a 69, Tony Jacklin of England, former winner of this title, David Graham and Mark James of England were very much in contention at 142, only four back with 36 holes to go.

"It was a good, solid round of golf," said Watson, who spiced his round with a 22-foot putt for an eagle-3 on the seventh hole. "I'm much more satisfied with the way I played," said Watson, who is chasing a fourth British Open title. "I have a lot more confidence going into the last two days. I'm in a good frame of mind. And when I'm in a good frame of mind, I usually play pretty well."

James had a second round 72. Jacklin and Graham, won the American Open Championship last month, had 71s. Arnold Palmer, the 51-year-old living legend who won the U.S. seniors title earlier this week, was given a 4 p.m. starting time and slipped to a 74 and a 146 total.

Meanwhile Vivian Brownlee, who never has been the leader at the halfway mark in a Ladies Professional Golfers Association Tournament since joining the tour in 1975, found herself sharing that position with Julie Stanger and Donna Caponi Friday. She shot a par 72 for a 36-hole total of 140 in the \$125,000 Western Union International Classic.

The 24-year-old Stanger, former three-time Arizona Amateur Champion who has yet to win a title since turning pro four years ago, shot a second straight 2-under-par 70 for her share of the top spot.

Caponi, who already has won three titles this year, including the LGA Championship, shot a 3-under-par 69. A birdie on the par 5 17th hole created the three-way deadlock as she was the last of the trio to finish the round.

Sally Little of South Africa, the defender in the four-day event at the 6,347-yard Meadow Brook Club and who shared the opening-day lead with Brownlee at 68, shot a 3-over 75 to fall into a four-way tie for fourth place at 143.

Brownlee, who has only one victory to her credit since turning pro at 28, had two birdies to offset a pair of bogeys.

Despite injury, Coe wins 800m easily

GATESHEAD, England, July 18 (R) — Sebastian Coe comfortably won the 800 meters for Britain against the Soviet Union Friday night but has nearly six seconds outside the world record he set last month.

Coe clocked one minute 47.47 seconds on the opening night of a two-day match between Britain and the Russians, compared with his world record time of 1:41.72 set in Florence, Italy. Coe, who also holds the 1,000 meter world record, used Friday's race almost as a training jaunt and was never seriously extended.

He led from the outset despite a blistered foot and it was not until the final 100 meters that he really decided to test himself and broke away easily from compatriot Gary Cook, who finished second in 1:48.07. The Soviet Union lead by eight points in the men's section, while Britain have a six-point advantage in the women's events.

All-Africa meet off

In Lagos, the tragic death of Nigeria's 400 meters champion Dela Nduibisi Udo has forced the cancellation of the second All-Africa Athletic Championships, the national radio reported.

The championships were to be held in Benin (southern Nigeria) next month. Reports said Udo was killed Wednesday night by a mobile policeman at a police check-point in Lagos.

Udo had been invited home by the National Sports Commission, along with 14

other athletes, to train for the All-Africa Athletics Championships. Forty-five countries were to have participated in the championships.

Sydney Maree cleared

Villanova track star Sydney Maree has received approval to compete in international track events, the Athletic Congress disclosed Friday.

Maree, 24, a native of South Africa, which is banned from international competition because of its racial policies, had his eligibility confirmed by the International Amateur Athlete Federation, TAC said.

The confirmation clears the way for Maree, a middle distance runner, to compete in September's World Cup, if he is picked for the U.S. team. The World Cup, the top event in track this year, takes place in Rome Sept. 4-6 with eight national, continental and hemispheric teams competing in a finals-only format. American team members will be announced August 15, TAC said.

A Villanova senior Maree owns a career best of 3:35.02 for the 1,500 meters. He won the NCAA title in Baton Rouge, Louisiana, with a 3:35.30 clocking June 6, and 15 days later edged Steve Scott for the U.S. title at Sacramento, California, with his lifetime best performance.

As a South African, Maree, who is black, was not allowed to run in any meets other than domestic events as a resident foreigner or in closed competitions like NCAA events.

which are restricted to collegiate athletes.

This year, however, Maree, who is married to an American citizen, the former Lisa Rhoeden also a Villanova runner, took steps toward obtaining American citizenship. Because of that, the IAAF cleared the way for Maree to run for the United States in international events, TAC said.

The Japanese athletes that arrived in Bucharest for the World Student Games (Universiadi) are having a gay time. They are enjoying the weather and the food that is served in the Games village.

Tommaso Yamaguchi, sports supervisor of the Japanese delegation said the weather here is very dry compared with the humid, rainy season in Japan this time of the year. The athletes are all in good health and are in intensive training. Yamaguchi is hoping for medals in the men's gymnastics, wrestling, both men's and women's volleyball and some in swimming and athletics.

In swimming, Yamaguchi counts on two breaststrokers Zisuo Abe and Masaki Aoki. Abe has a best time of one minute 06.86 and Aoki 2:22.92. Although their times are somewhat slower than the Universiadi records of 1:05.17 and 2:21.13, for the respective events, they will have good chances of winning medals. Yamaguchi added. The Japanese swimmers found the water temperature at the 23 August swimming pool a bit warm. The water temperature is about 27 to 28 degrees centigrade.

U.S. aide acts to resume baseball talks

WASHINGTON, July 18 (R) — U.S.

Labor Secretary Ray Donovan told rep-

resentatives of major league baseball players and club owners Friday to begin round-the-clock negotiations in an effort to settle a 36-day-old strike by players.

He asked players' association negotiator Marvin Miller and owners rep-

resentative Ray Grebe to come to Washington for the talks. "I hope that both players and owners will understand that a failure to resolve this strike will be kick in the teeth to the American people," Donovan said in a statement.

"Unless there is a change in attitude on both sides, then I don't think we'll see any more baseball this year and then the players and owners are going to have something really important to worry about — millions of very angry fans."

Negotiations to resolve the strike have so far made no progress despite the efforts of a federal mediator. The key issue in the dispute is the amount of compensation a club should receive when it loses a player holding free agent status to another club.

Earlier Thursday the talks fell apart as management's Player Relations Committee rejected a proposal to submit the issues to binding arbitration.

THE BIG TWO: Defending champion Tom Watson watches Jack Nicklaus putting prior to action in the British Open Golf Championships Friday. (AP photo)

Gildemeister moves ahead

BROOKLINE, Massachusetts, July 18 (AP) — Chilean clay court specialist Hans Gildemeister derailed John Alexander's comeback from a back injury and outlasted the Australian veteran 6-7, 6-4, 7-5 Friday night, to move into the quarterfinals of the U.S. Pro Tennis Championship.

The hardfought match lasted two hours and 42 minutes and ended when Gildemeister broke Alexander's serve, the only break of the third set. Alexander won a 9-7 tie-breaker to capture the first set after wasting a set point in the eighth game.

In the second set, with the score tied 4-4, Alexander had a double break point, but again Gildemeister rallied to take the game. Thirteenth-seeded Gildemeister then broke unseeded Alexander's serve to capture the set.

Gildemeister fought off one break point to win the seventh game of the third set and took the lead with a cross court backhand past Alexander.

Alexander then fell behind 0-30 on his next service and got the next point. But he hit a backhand long, making the score 15-40 and lost the match when Gildemeister rocketed a forehand passing shot to Alexander's backhand.

Alexander sat out most of last year and much of this year with a serious back injury and made it into the tournament by winning three qualifying matches last weekend.

In an earlier quarterfinal match, Bernard Fritz overcame a bad back and second set

deficit to defeat unseeded Charlie Fancutt of Australia, 6-2, 6-4. Fritz, ranked twelfth in France and 220th in the world, had trailed 4-2 in the final set.

In Friday afternoon's other third-round matches, 10th-seeded Jose-Luis Damiani of Uruguay survived a 7-6 (13-11), 0-6, 6-0 match with unseeded Andres Gomez of Ecuador and Angel Jimenez of Spain ousted Jay Lapidus of Princeton, N.J., 6-3, 6-3 in a meeting of unseeded players.

The 27-year-old Fritz, a seven-year pro from Marseilles, France, had to win three qualifying matches last weekend to even get into the tournament. He then knocked off eighth-seeded Terry Moor in the first round and unseeded Mike Leach in the second round.

He also had to qualify in his previous tournament, but then hurt his back in the opening round and defaulted. "It's not very well," he said of his back. "I can't serve very hard."

Leading 5-4 in the final set and 40-15 in the final game, Fritz hit a deep lob that caught Fancutt at the net. The Australian didn't even try to return it. Damiani, ranked 37th in the world, is Fritz's next opponent. It will be his first quarterfinal appearance of the year.

Damiani won the marathon tiebreaker in the first set after wasting four set points when Gomez hit a forehand volley long. Damiani said he lost his concentration early in the second set when he argued with umpire Charley Beck, then turned his game around "100 percent" between sets.

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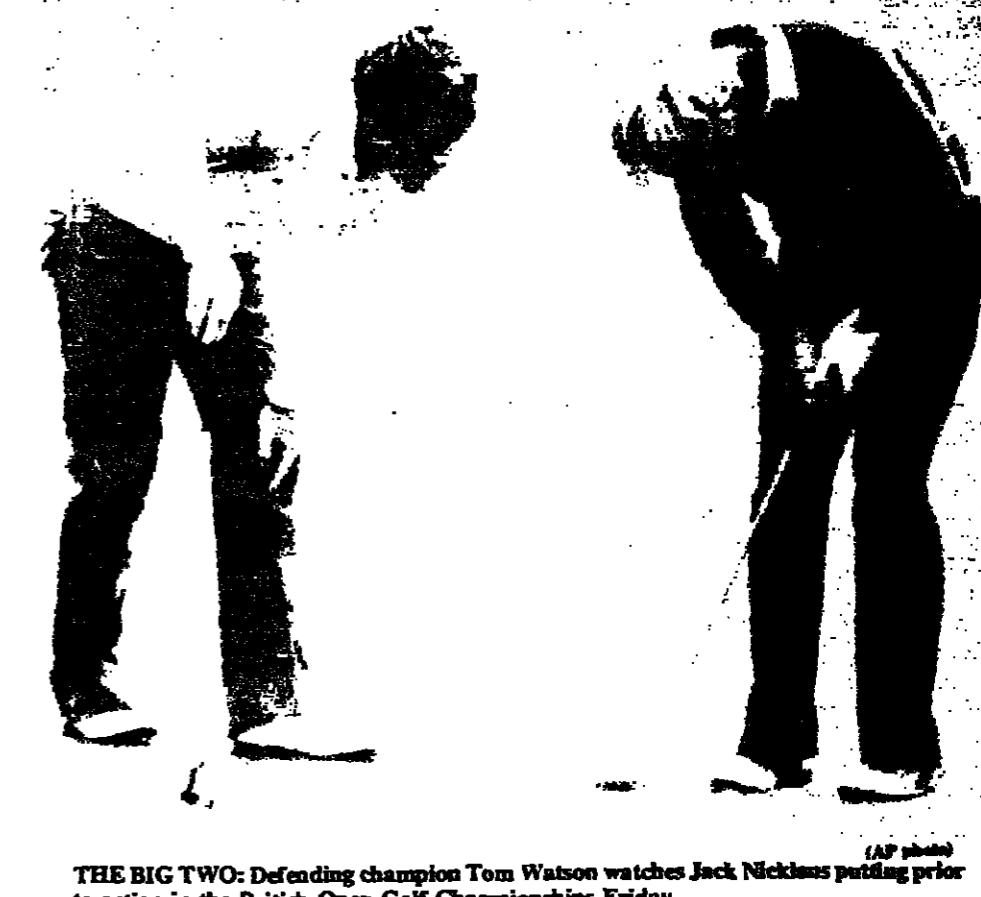


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- Mirza Mohammad Rafiq Passport No. AH124340.
- Mukhtar Ahmad, Passport No. AG768611.
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Bright knock by Hughes

England loses three quick wkts.

LEEDS, July 18 (AP) — David Gower launched an aggressive response after England slid into desperate trouble at 42 for three on the third morning of the third Test against Australia at Headingley here this morning.

He hit three crisp fours, to take the initiative away from the bowlers for the first time, and lift England to 78 for three by lunch. But they were still 325 away from Australia's total of 401 for nine and 124 short of avoiding the follow-on.

Terry Alderman created England's problems by getting Graham Gooch, still on his overnight 2, lbw, through a loose shot, with his first ball of the day, and dismissing Mike Brearley caught behind by Rod Marsh at 40, just when the captain and Geoff Boycott looked like stabilizing the innings.

Geoff Lawson put England in a still worse position by bowling Geoff Boycott with a fast, unplayable ball in his first over. Brearley scored 95 and Boycott 12, the Yorkshireman falling 95 short of his target of 107 to become England's leading Test scorer.

On Friday, Australian captain Kim Hughes

hit a bright 89 as his team powered to 401 for nine declared.

Hughes was backed up by Graham Yallop (58) and Graham Marsh (28) as the tourists, already one-up in the six match series, set England a formidable target.

Former England captain Ian Botham, without a win in 12 matches in charge, was by far the most successful English bowler. Clearly revelling in playing under Mike Brearley without the pressure of captaincy, Botham took six wickets for 95 runs. Graham Dilley took two for 78 despite struggling to find his line. England reached seven for no wicket in reply during the 10 minutes before the close of play.

Botham's form was a boost for the England team. Not since Bombay 16 months ago, when he took 13 wickets for 106 and scored a century, has the all-rounder looked so sharp.

He bowled a marathon 22.2 overs as Australia slipped from 332 for four to 401 for nine before Kim Hughes declared. He claimed all five of those wickets in 16 overs after tea. It was the 15th time in his career that Botham has taken more than five wickets

and he richly deserved Friday's success.

Earlier, England had toiled for 165 minutes on a damp, miserable field in which the weather frequently interrupted the proceedings. Dilley's success against night-watchman Ray Bright was the only bright spot for England.

Yallop, fighting for his Test place, then made a laborious 58, while Hughes batted 4½ hours for his 89. When Botham started to move the ball wickets fell regularly.

Graham Gooch and Geoff Boycott saw out the last 10 minutes of play for seven, although five of the runs came from extras. Terry Alderman opening unhappily with two no-balls and a wide.

Australian cricketers Rodney Hogg, Martin Kent and Steve Rixon, left out of the team for the Test plan to keep in practice by playing in local league matches Saturday.

Fast bowler Hogg is to play for Ramsbottom in the Lancashire League, while batsman Kent and reserve wicket keeper Rixon are to appear for Featherstone in the Yorkshire Council League.

Slack, Barlow in record stand

Bob Parks excels behind the stumps

LONDON, July 18 (AP) — Wicketkeeper Bob Parks took a county record of ten catches as Hampshire stormed to an innings and 32 runs victory over Derbyshire in an English County Championship cricket match at Portsmouth Friday.

Parks, 21-year-old son of former England wicketkeeper Jim Parks, held six first innings catches and four more in the second to become only the sixth player in cricket history to take 10 catches in a match.

Hampshire scored its fifth victory in seven matches and moved 74 points clear at the top of the standings. Derbyshire needed another 185 to make Hampshire bat again, but seam bowlers Malcolm Marshall, Keith Stevenson and Trevor Jesty each took three wickets to end the contest before tea.

Spinner David AfIELD returned his best

figures of the season — five for 32 — to lead Essex to a 55-run victory over Northamptonshire at Southend, but rain thwarted Sussex's victory bid against Surrey at Hove.

West Indian pace bowler Ezra Moseley took six for 63 as Glamorgan raced to 10-wicket victory over Yorkshire at Cardiff. While West Indian Wilf Slack (181 not out) and Graham Barlow (174 not out) put on a record undefeated first-wicket partnership of 367 against Kent at Lord's, but Middlesex still had to settle for a draw.

SUMMARIES: At Bristol, Worcestershire 316-5 dec and 186-4 dec (Glen Turner 57). Gloucestershire 251-8 dec and 87-2. Match drawn. At Lord's, Middlesex 167 and 367, for no wicket (Wilf Slack 181 n.o.). Graham Barlow 174 n.o.). Kent 284 and 67-2. Match drawn.

At Hove, Surrey 175 and 90-3. Sussex 289. Match drawn.

At Cardiff, Glamorgan 343-6 dec and 49 for no wicket. Yorkshire 185 and 205 (John Hampshire 75 n.o.). Ezra Moseley 6-63. Glamorgan won by 10-wickets. At Portsmouth, Derbyshire 104 and 209. Hampshire 145-8 dec. Hampshire won by an innings and 32 runs.

At Southend, Essex 196 and 108. Northamptonshire 86 and 163. Richard Williams 60, Wayne Larkins 55, David AfIELD 5-32. Essex won by 55 runs. At Coventry, Warwickshire 136 and 160. Leicestershire 357-9 dec. Leicestershire won by an innings and 61 runs.

TOUR MATCH: At Old Trafford, Lancashire 183. Sri Lanka 184-3. No play — rain. Match drawn.

SECOND OVERALL: Belgian Lucien Van Impe is now 14:34 minutes behind Hinault and was fifth Friday. But Albin still faces a threat from Dutch and Belgians of the Raleigh team and will have a hard time fighting them off as the French tour goes from Auxerre to Fontenay on Saturday and from Fontenay to the Champs Elysées and its finish on Sunday.

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At the finish the champion had widened that margin to 37 seconds, giving a lesson to a Willems who had vowed to beat Hinault at his best event.

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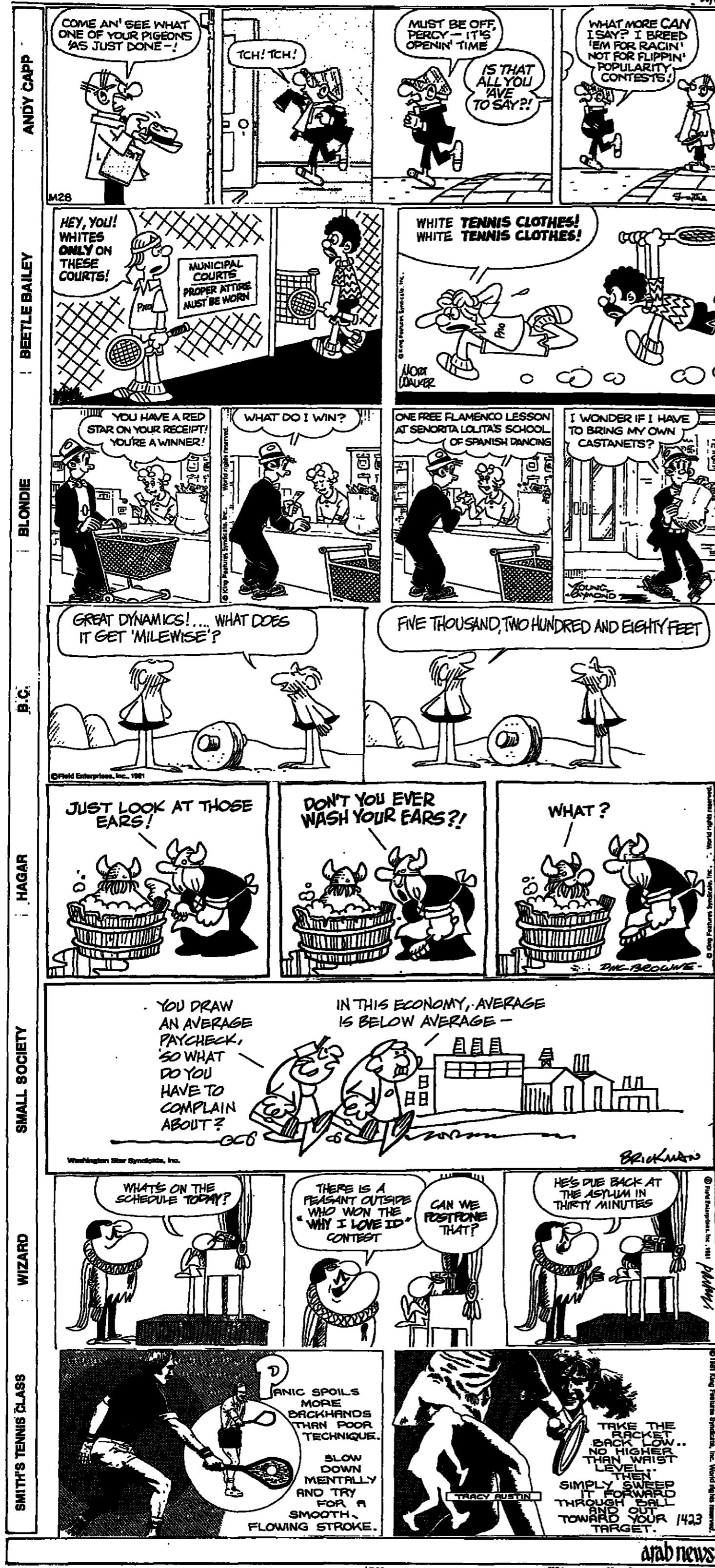
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Zoetemelk, who was placed second overall five times, fourth twice, fifth and eighth once each over 12 years in the tour, thought he could easily spurt past the Frenchman in the standings.

But Albin started quickly and only yielded valuable seconds to Zoetemelk near the finish, proving, in the words of French cycling expert Raymond Poldor that "with real motivation, all cyclists are capable of surpassing themselves in time trials."

Zoetemelk beat him 14 seconds but Albin beat timetrial specialists Belgians Alfons de Wolf (22th) and Gety Verlinden (14th), Australian Philip Anderson (15th) and France's Mariano Martinez (17th).

For Hinault, he showed amply on Friday, his desire "to do my job well, thus always to try to be the best." When he learned on the 18



ANDY CAPP

BEETLE BAILEY

BLONDIE

B.G.

HAGAR

SMALL SOCIETY

WIZARD

SMITH'S TENNIS CLASS

OMAN

RAK

QATAR

SUNDAY

DUBAI

KUWAIT

SUNDAY

FLAMIN'

JORDAN

YEMEN

New policy unveiled

U.S. allows free play to energy market forces

WASHINGTON, July 18 (AP) — The Reagan administration unveiled its national energy plan Friday, describing it as an affirmation of the policy that the free market and not the government should allocate the United States' energy resources.

Bernard C. Rusche, special assistant to energy Secretary James Edwards, said the administration wanted to "put the government in the position where the people through their aggregate choices in the market can set the direction."

He said at a news conference that the government's main thrust will be "removing federal barriers ... reducing regulation" to allow the marketplace to set the course, even in times of energy emergencies.

The plan says national energy policy should break "cleanly and candidly" with what was an "overwhelming" emphasis on regulation in previous energy policy. It also calls for market forces to replace government subsidies in the development of alternate fuel sources.

The law requires that a national energy plan be submitted to Congress every two years. J. Hunter Chiles, director of the energy department's office of policy, planning and analysis, noted that its title is now the national energy policy plan instead of simply the national energy plan.

"This document does represent a policy, not a rigid plan," he emphasized. "The policy is basically to allow the free market to allocate energy resources."

While the plan virtually reverses the policies of former President Jimmy Carter, its most significant change was in de-emphasizing a cut in oil imports as the major

goal of U.S. energy policy.

"Achieving a low level of U.S. oil imports at any cost is not a major criterion for the nation's energy security and economic health," the plan said.

Stressing "an international dimension" to oil vulnerability and the U.S. position as "reliable trade partner," the plan says: "Damage to other free world economies inevitably affects the United States as well, so it is important that we cooperate with partners."

"We cannot entirely protect ourselves from disruptions in the world energy market by reducing our own dependence on imports and trying to isolate ourselves."

That alters the major U.S. energy goal first set by President Richard Nixon in his "profound independence" following the 1973 Arab oil embargo.

However, Rusche stressed that the Reagan administration still wanted to cut imports, noting it was merely saying such a cut should not be the sole basis for energy policy. The plan itself made "mid-range" projection — and stressed it was not a prediction — that oil equivalent to 10 quadrillion British thermal units will be imported in 1990. That compares to 13.3 quadrillion but imported in 1980.

Overall, the plan is a restatement of policies President Reagan and other administration officials have stated piecemeal over the past six months.

Commerce Secretary Malcolm Baldrige, meanwhile, announced a coal export policy committing the United States to promoting coal sales abroad.

Wall Street

Analysts take inflation fall with a pinch of salt

NEW YORK, July 18 (AP) — For months Wall Street waited for cheery news on inflation. Now that it's here, the financial community seems to think it's too good to be true.

Inflation, as measured by the U.S. government's consumer price index, has been under an annual rate of 10 percent for the past several months, and the Reagan administration is painting an even rosier picture for the remainder of the year.

But that has not made a believer of Wall Street. "There's no real strong conviction that inflation is slowing," said Monte Gordon, director of research at Dreyfus Corp. The Wall Street is still concerned about the inflation potential.

Gordon is not alone. John McAuley, a vice resident in chemical bank's economics department, says the recent slowdown in inflation is due partly to "lucky breaks," which he is not counting on to repeat in the months ahead.

"We believe inflation in the second quarter will be as low as it is likely to get through 1982," McAuley says. He predicts consumer price inflation will jump to an 8.6 percent annual rate in the current quarter and 8.7

percent in the final quarter, compared with an estimated 7.3 percent last quarter.

The White House is even more optimistic.

In its mid-year economic review, the administration estimated that inflation, as measured by the consumer price index, would be 6.2 percent next year — less than half last year's rate.

A lot of Wall Street analysts however, think the Federal Reserve Board's success in curbing inflation is also pushing the economy into a recession. The Fed has used high interest rates as its main weapon against inflation.

Albert Cox Jr., president of Merrill Lynch Economics Inc., said the economy probably fell into recession last quarter and will not start growing again until the year's final quarter. "Whether or not the envisioned economic cycle is officially dubbed a recession, it is expected to show many recessionary characteristics," including higher unemployment and falling profits and production, Cox said.

Edward Yardeni, economist at E.F. Hutton, said investors' concern about a recession this summer is a major reason stock market has slumped in recent days. In the past week,



MAIL PILES UP: A British post office sorter Thursday piles up yet another mail-bag onto the heap of airmail for Canada. There are nearly 500 sacks being held in the King Edward Sorting Office, London. The backlog being caused by the Canadian postal workers strike.

Glut to continue

Rise in oil demand forecast

LONDON, July 18 (R) — World demand for oil is likely to begin rising again in the next few months after stalling four percent last year. Western oil industry experts have said.

But the world oil glut, which has depressed prices, is likely to last until late 1983, they added. As demand for oil increases with economic recovery in many nations, members of the Organization of Petroleum

Exporting Countries (OPEC) will push up output to ease the strain on their finances caused by falling sales in recent months.

This should keep demand and supply in line and prevent a new surge in prices, the experts suggested. They were commenting on latest statistics on world oil output compiled by British Petroleum, the world's fifth largest oil company, which showed total oil consumption fell 3.9 percent in 1980 to 61.7 million barrels per day (BPD).

The decline in consumption in non-communist nations was even faster, dropping by 5.2 percent to 49 million BPD. BP said. The increasing oil glut and resistance to high prices by consumers had pushed consumption down this year to around 47 million BPD, the experts said.

But consumption appeared to have reached its trough and economic recovery was likely to bring it up to around 50 million BPD in non-communist nations, the experts said.

Latest calculations showed that more than half the fall in consumption following the oil price shocks of 1973-74 and 1979-80 was due to a slowdown in economic growth. The remaining fall was due to conservation and switches away from oil.

Substitution of other fuels for oil was now well-entrenched and would help curb any new surge in oil demand and prices, they said.

Compagnie Financiere des Petroles (CFP) and the Mexican state-run oil group Pemex agreed in Paris to resume shipments of Mexi-

Financial Roundup

Riyal rates continue to firm

By J.H. Hammond

JEDDAH, July 18 — The American dollar closed strong in New York Friday night after holding it ground in Europe the same day. The immediate effect of this was the release of the U.S. money supply figures which showed a rise of nearly \$1 billion for the past reporting week. This is bigger than expected and the markets feared that the Federal Reserve Bank policy of high interest rates will continue for some time to come.

Locally, riyal deposit rates continued to firm and dealers reported rises in all tenors taking the one-month rate over 17 percent for the first time in the past 10 days. Spot riyal against the dollar was also actively traded with some demand reported by the Bahrain OBU's offshore banking units.

On Friday, on the European markets the dollar began to rise in some fairly heavy trading, and by European close the American currency had recovered most of its losses against other European currencies despite some sizable central bank interventions in support of national currencies by the European central banks. The British pound continued to be erratic and averaged 1.8730 for the day, but falling to 1.8700 at close in New York. Continuing uncertainties over British social unrest seem to have unsettled investors seeking to go in for sterling.

In other currency news, the German mark averaged at 2.4700 levels on European bourses, but the mark fell further against the dollar to close at 2.4390 in New York. Similar falls were also recorded by the Swiss and Japanese currencies, with the former closing at 2.0925 levels, compared to nearly 2.06 only a few days ago, and the yen closing at 232.40 — the lowest yet

against the dollar. The markets have noted that the Japanese Central Bank has made some efforts at yen support by selling dollars at 230 levels, but that the actions of the Central Bank have been ineffectual and the yen has slipped further against the dollar. The French franc, surprisingly enough, was the steadiest currency against the dollar, closing in New York at 5.7800 levels after reaching 5.58 mid-week.

The European currency falls were a reflection of continuing financial worries about the future course of U.S. dollar interest rates. There were some brief indications this past mid-week that the U.S. Central Bank — the "Fed" — was pumping money into the system and this brought down Fed funds rates from 18 1/2 percent levels to 16 percent by Wednesday. However, the trend was reversed by weekend and with the release of the money supply figures showing a rise of nearly \$7 billion in the M1-B measurement (cash, checking, plus interest-bearing "now" checking accounts), it seems likely that the Fed will continue with its present tight monetary policy. Euro-dollar deposit rates firmed as a consequence with one-month deposit rates now being quoted at 18 1/4 - 18 1/2 percent.

Riyal deposit rates also went up with one-month JIBOR rates averaging 16 1/4 - 17 1/2 percent on opening, but rising to 17 - 17 1/2 percent by mid-day in the face of the strong dollar. One-year rates also went up from 15 1/2 - 15 1/4 to 15 1/4 - 16 1/4 percent. Local dealers reported some fairly active dealing taking place ahead of the European opening Monday taking short-term funds to 17 - 17 1/2 percent. Spot riyal opened at 3.41 10-20, but very soon rose to levels of 3.41 25-40 in face of strong dollar demand both from local banks and the OBU's.

France, Mexico end oil row

PARIS, July 18 (R) — France and Mexico have set the seal on the settlement of a dispute which threatened Mexican oil supplies to France and French participation in Mexican development projects.

Mexican Foreign Minister Jorge Castaneda told reporters Friday after a meeting with French external relations minister Claude Cheysson: "The oil dispute has been settled."

He said: "We can now look forward to increasing relations between our two countries. I am sure that in the near future our relations will grow stronger and cover wider fields." Cheysson said France had "very ambitious plans" for industrial cooperation with Mexico.

Trade sources say the cancellations, largely by American firms, are costing Mexico about 700,000 barrels daily. "We are profoundly satisfied with the attitude of the U.S. government, but the companies are a different matter," President Lopez Portillo said. Mexico is revising its client list, meaning that Italy, which once requested Mexican oil but was refused because of prior commitments, could now be considered.

Ottawa summit

U.S. optimistic of accord on

By William P. Bray
Washington Bureau

domestic supply of U.S. dollars. Volcker said that the use of "monetary, fiscal and other restraints to reduce inflation is something the United States 'stands firmly behind.'

The Fed chairman concurred with Haig by predicting that "there will be a general endorsement of the broad purposes and objectives of the U.S. economic policies" by all countries attending the summit.

U.S. economic policies are certain to be the major item on the agenda for those countries attending the summit which include the United States, West Germany, United Kingdom, France, Italy, Canada and Japan.

All nations attending recognize "an inescapable reality" that western nations "are increasingly interrelated," said Secretary of State Alexander M. Haig in a press conference briefing Thursday afternoon.

"We either hang together or hang separately," Haig told reporters. "While there may be differences in the choices of policy instruments, there is no uniform commitment to the objectives," he added.

Haig stressed that the summit will concern "broad areas of international and economic relations," but there is at least one very specific economic issue on the minds of the foreign leaders who will attend the conference — high interest rates. Their concern is over the effects U.S. interest rates are having on their own economies.

"Most of the foreign leaders with whom I have talked readily agree that it is in their countries fundamental interest, as well as ours, that the United States make significant progress against inflation," Volcker said.

It was Volcker who spearheaded the effort of the U.S. Federal Reserve begun in October, 1979, to hold tight reigns on the growth of the U.S. money supply. Insulated from political pressures by virtue of 14-year appointments to the board, Fed governors successfully pushed for legislation which allows greater control of the domestic supply of U.S. dollars. This, in effect, expanded the number of banks required to hold funds in

broad issues

non-interest bearing reserves whenever mandated by the Federal Reserve governors.

In basic terms, the Fed governors have maintained a "monetarist" policy, that is a policy to turn off what they view as the fuel of inflation — too much money chasing too few purchasable goods.

This policy of holding back the growth of the U.S. money supply was started well before president Ronald Reagan entered the White House. But his inheritance of the situation has allowed Reagan to seize an opportunity for political matchmaking by pushing Congress to cut the growth of spending by the U.S. government.

This is viewed as being very important by Reagan. In recent years, the U.S. treasury has entered the private financial markets to a greater extent in order to finance deficit budgets of the U.S. federal government. In so doing, they have offered higher interest rates on U.S. government bonds and securities. In effect, this has added to the pressure of the Federal Reserve Board's restrictions on the growth of the domestic supply of dollars.

In theory, if Reagan's efforts to get Congress to balance the U.S. budget succeed, interest rates will subside as the U.S. government stops borrowing money in private markets.

Nearly all of the nations which will attend the Ottawa summit face similar difficult problems and policy choices in their own economies. External influences on their own interest rates and exchange — "short-term" phenomena by Volcker's estimation — inevitably raise new complications for some, just as external developments complicate U.S. policy-making.

Foreign Exchange Rates

Quoted at 5:00 P.M. Saturday

	SAMA	Cash	Transfer
Bahrain Dinar	—	9.90	9.65
Bangladesh Taka (100)	85.00	—	13.10
Belgian Franc (1,000)	85.00	—	80.00
Canadian Dollar	2.84	—	2.85
Danish Mark (100)	139.00	141.00	139.60
Dutch Guilder (100)	135.00	126.75	126.35
Egyptian Pound	—	4.03	4.23
Emirati Dirham (100)	—	93.50	93.00
French Franc (100)	59.00	59.65	59.00
Greek Drachma (1,000)	—	61.00	57.60
Indian Rupee (100)	—	—	38.10
Iranian Rial (100)	—	25.00	—
Iraqi Dinar	—	8.00	—
Italian Lira (10,000)	28.00	28.50	28.10
Japanese Yen (1,000)	14.80	—	14.70
Jordanian Dinar	—	10.18	10.15
Kuwaiti Dinar	—	12.12	12.65
Lebanese Lira (100)	—	78.10	77.40
Moroccan Dirham (100)	—	65.00	63.20
Philippine Peso (100)	—	—	34.57
Pork Seringue	6.24	6.45	6.35
Qatari Riyal (100)	—	94.00	93.85
Singapore Dollar (100)	—	—	158.30
Spanish Peseta (1,000)	—	—	35.15
Syrian Franc (100)	163.00	163.10	162.65
Turkish Lira (100)	—	33.50	66.90
U.S. Dollar	3.41	3.4190	3.4120
Yemeni Riyal (100)	—	75.50	74.75

Selling Price Buying Price
Gold kg. 45,900 45,700
10 Tolas bar 5,400 5,300
Ounce 1,445 1,400

The above cash and transfer rates are supplied by Al-Rajhi Company for Currency Exchange and Commerce, Gabel St. & Sharafia, Jeddah, Tel: 6420932, 6530843.

Du Pont favored to win the Conoco battle

\$85 a share, up from its original offer of \$73 a share for 41 percent of the company.

Oil industry analysts believe Texaco, the third largest U.S. oil company, is still interested in Conoco.

